



Control Union Certifications BV Evaluation of Khronodefine Lda (AT Green) Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

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Completed in accordance with the CB Public Summary 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

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1 Overview

Certification Body (CB) Name:	Control Union Certifications BV
Primary CB contact for SBP:	Robin Rosendahl
Primary CB contact email:	rrosendahl@controlunion.com
Audit team leader:	Lennart Holm
Audit team members:	-
Name of the Company:	Khronodefine Lda (AT Green)
Company legal address:	Campo Grande, 28 - 1º C, 1070-093 Lisboa, Portugal
Company contact for SBP:	Joana Carvalho
Company contact email:	joana.carvalho@atgreen.pt
Company website:	https://atgreen.pt
SBP Certificate Code:	SBP-06-35
Date of certificate issue:	08 Jan 2020
Date of certificate expiry:	07 Jan 2025
Audit closing meeting date:	27 May 2022
Audit cycle:	Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	☐
Approved Standards:	SBP Standard 1: Feedstock Compliance Standard; SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5	☐
Includes Supply Base Evaluation (SBE):	Yes	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Primary, Secondary	☐
Feedstock origin (countries):	Portugal	☐
SBP-endorsed Regional Risk Assessments used:	Not applicable	☐
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		☐
Chain of custody system implemented:	FSC: CU-COC-867814	☐
	Credit	☐

2.1 Description of the company

Khronodefine, Lda. (Legal entity name); Atgreen (brand name) is a wood pellet production company located in the city of Guarda in Portugal. Guarda is located in the center north of Portugal. Atgreen buys low-quality primary feedstock from dozens of suppliers and secondary feedstock from around 5 sawmills. Some feedstock suppliers are FSC certified but not all deliver the feedstock with an FSC claim. Primary feedstock accounts for approximately 99% of total feedstock supply (ca. 40% SBP-compliant primary feedstock, 59% SBP-controlled primary feedstock, 1% SBP-complaint secondary feedstock). Atgreen has a production capacity of 180.000 tons of wood pellets a year. Considering the total amount of feedstock it processes, Atgreen shall be the largest company in the center northeast of Portugal, after a pulp and paper company. This activity contributes to the regional economy and to effective forest fire fighting – the main issue in Portuguese forestry today.

2.2 Detailed description of the Chain of Custody system

Valid FSC system description and other documents exist. Critical control points of the FSC CoC system were evaluated also during SBP audit. The Organisation has implemented FSC credit system which is used for materials received as FSC certified, FSC Controlled wood and feedstock verified according to the Organisation's own Controlled wood verification system, covering Portugal. Feedstock whos origin cannot be verified as per the established Due Diligence system, will be considered as Non-Controlled and will not be included in the production of certified products nor supplied SBP controlled. Supplier list is maintained. After the reception, incoming feedstock is unloaded into piles according to type of feedstock and load is registered into the recordkeeping system. All input material is weighted and recorded in tonnes. For the credit account purposed the volume of feedstock is recalculated by using the conversion factor of the production, FSC credit account is updated monthly: data about received raw materials by FSC certification status and volume of sold pellets are recorded. In case of the FSC and/or SBP sales, the volume of sold pellets is withdrawn from the credit account. Based on the credit account management the proportion of the SBP-compliant and

SBP-controlled biomass is calculated and all records are kept.

3 Specific objective

The specific 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 the mitigation measures describing herein.

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 records, calculations and conversion factors;
- GHG data collection analysis
- Interviews with responsible staff;

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Lennart Holm	4,0
2. On-site (excl. travel time)	Lennart Holm	24,0
3. Report writing	Lennart Holm	6,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/9.30
<i>Business integrity, social, health and safety requirements</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/9.45
<i>Logo/Trademark use</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/10.15
<i>Complaints procedures</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/10.30

<i>Checking the Supply Base Report</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/10.45
<i>Incoming material claims</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/13.45
<i>Incoming raw material registration</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/15.45
<i>Ouput Claims</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/16.15
<i>Suppliers</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/17.00
<i>Suppliers certificates</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/17.15
<i>Final discussion / days closing meeting</i>	Khronodefine (AT Green) Lisbon	Lennart Holm	25 May 2022/18.00
<i>Day's Opening meeting</i>	Port of Aveiro	Lennart Holm	26 May 2022/9.30
<i>Visit at port of Aveiro</i>	Port of Aveiro	Lennart Holm	26 May 2022/9.45
<i>Office's main supplier's visit and SBE verification</i>	Unimadeiras - Albergaria-a-Velha	Lennart Holm	26 May 2022/10.30
<i>Field verification of SBE</i>	Seia	Lennart Holm	26 May 2022/11.30
<i>Day's Opening meeting</i>	Khronodefine (AT Green) Guarda	Lennart Holm	27 May 2022/8.30
<i>Tour of the facility</i>	Khronodefine (AT Green) Guarda	Lennart Holm	27 May 2022/8.45

<i>GHG data registrations and review of SAR</i>	Khronodefine (AT Green) Guarda	Lennart Holm	27 May 2022/11.00
<i>closing meeting</i>	Khronodefine (AT Green) Guarda	Lennart Holm	27 May 2022/16.30

Auditor qualification		
Auditor name	Role	Qualification
Lennart Holm	Lead Auditor	Lead SBP, GGL, SDE+, ENPlus and FSC and PEFC FM/COC auditor and successfully passed the SBP auditor training programme

4.2 Description of evaluation activities

The audit consisted of an opening meeting, during which the scope was confirmed. The auditor also explained the methods to be employed during the audit. During the audit, all relevant requirements of the applicable SBP standard(s) were verified on compliance through the use of a report template and checklists, as well as interviews with the below mention individuals were made. A visit to the port of Aveiro was made, to inspect the storage facility and handling procedures, as well as a tour of the facility. For the audits of individual suppliers, a visit to the main supplier, Unimadeiras was made, followed up with a field visit with active logging conducted by Irmão Gemeos Lda, a sub-supplier of Unimadeiras. Control Union was evaluating how BP staff is doing audits for the suppliers and evaluating their compliance with the SBP standards and how risk from the risk assessment is implemented on the ground. An evaluation of Unimadeiras training program was made, and an assessment of potential wood procurement areas was made. The audit was completed by filling in the audit checklist and discussing the audit results. During this closing meeting it was also discussed how evidence can be submitted of corrective action with respect to nonconformities that were identified during the audit. Critical Control points were evaluated and found to be sufficiently managed.

People interviewed:

Joana Carvalho, Sustainability Manager

Carlos Couto, CFO

João Luis Gonçalves, CEO

Rogério Esteves, Diretor Fabril

António Mesquita, Responsável Produção

Rui Valbon, Electricista

Nuno Ribeiro, Responsável Manutenção

Valdemar Fernandes, Navex-Porto de Aveiro

Paulo Machado, Unimadeiras

António Mendes, Irmãos Gemeos Lda

Alberto Mendes, Irmãos Gemeos Lda

José Nascimento, Irmãos Gemeos Lda

António da Silva, Irmãos Gemeos Lda

Mario Mendes, Irmãos Gemeos Lda

· **Critical control points,
summary**

Identified CCP

Sourcing and input check

Biomass production

Volume control

Evaluation CCP

Check prior to sending the material by
supplier and check upon request

Khorondefine provided CU with an theoretical overview of the quantity of biomass to be handled at the different storage, handling and trans-shipment locations within the scope of its certification. Production data is based on a theoretical analysis (production is scheduled to start in July 2022).

This is documented and justified in the SAR.

Khorondefine provided CU with an theoretical overview of the quantity of feedstock for each feedstock category. (production is scheduled to start in July 2022).

This is documented and justified in the SAR.

Energy use -
Electricity

The organization is a newly commissioned plant, production is scheduled to start in July 2022. The energy consumption has been evaluated using a theoretical evaluation based upon specific consumption of installed machinery and nominal production capacity of the plant. They receive 100% of their electricity from the grid. Separate meter is installed at the pellet plant which is the only process line.

The organization is a newly commissioned plant, production is scheduled to start in July 2022. The organization will monitor fossil fuel usage based on records from each time a machine fuels up on own diesel tanks by own machinery for processing or transport during production.

4.3 Sampling methodology

Since the company has not yet started production and thus no harvest sites were available to evaluate, a visit to the main supplier, Unimadeiras was made where an evaluation of Unimadeiras training program was made, and an assessment of potential wood procurement areas was made. A visit to an active harvesting site was done to evaluate Khronodefine's field checklists. Two trades were done and both was verified in DTS. All relevant documents and procedures were also sampled.

4.4 CB stakeholder engagement

N/A, Third Surveillance Audit. Therefore, there was no consultation with stakeholders. No comments received from stakeholder prior, during and after this annual audit

4.5 Stakeholder feedback

N/A, Third Surveillance Audit. Therefore, there was no consultation with stakeholders. No comments received from stakeholder prior, during and after this annual audit

5 Results

5.1 Main strengths and weaknesses

The audit of Khronodefine demonstrated a good level of compliance with the required criteria of Standard 1, 2, 4 and 5. There was reasonable evidence provided to support compliance where a Non-Conformity was not detected. The Non-Conformities presented in this report identify actions that must be taken in order to comply with the SBP system and its standards. The existence of a Chain of Custody system is considered a main strength with respect to Khronodefine's overall conformity with the relevant SBP standards.

Weaknesses: The company has not yet started production so no harvest sites were available to evaluate. Non conformities identified in this audit.

5.2 Rigour of Supply Base Evaluation

Khronodefine embarked on the development of a detailed Supply Base Evaluation which includes a clear description of their Supply Base Area. The geographical scope of the SBE is Continental Portugal. The SBE was developed in joint efforts between internal personnel and a qualified consultant, using credible data sources. Khronodefine's management and monitoring systems are designed to ensure compliance with applicable laws and regulations. Risk was designated low for all core Indicators, with the exception of 14 Indicators which were designated as specified risk. Khronodefine has developed additional controls and mitigation measures to manage these risks. After the risk assessment was completed, mitigation measures were proposed and consulted with stakeholders. The stakeholder consultation process involved consultations to key stakeholders with regard to information on SBP certification, SBP risk assessment and supply base report, by communicating this via electronic email. Khronodefine has implemented the mitigation measures for the specified risk indicators as initially proposed. The risk mitigation measures have been designed and will be implemented as planned in cooperation with acknowledged experts and external consultants in relevant fields.

5.3 Collection and communication of data

Khronodefine (AT Green) is a newly commissioned plant, production is scheduled to start in July 2022. Feedstock procurement data as well as production data was based on a theoretical analysis. However, the SAR has been completed according to the standard and all data provided by the BP were verified for their consistency and accuracy.

5.4 Competency of involved personnel

Internal staff members are involved in the SBP system management and implementation. All interviewed responsible staff demonstrated awareness of their responsibilities within SBP system. The key responsible person for developing the SBE system were two external consultants with experience in producing SBP systems and carries a PhD as well as a MSc in a relevant field. All involved personnel, including responsible staff at suppliers and sub-suppliers have demonstrated good knowledge in relevant fields (recognition and identification of HC VF, familiarity with health and safety requirements, timber origin verification) during the site visits. Relevant certificates and diplomas were presented during the audit. Qualification requirements for personnel involved in the SBE system are provided in documented procedures of the BP. In overall, auditors evaluate the competency of main responsible staff to be sufficient for implementing the SBP system with both primary and secondary material sourced within the SBE. This has been based on interviews, review of qualification documents, training records and set of procedures and documents that were composed for the SBP system as well as field observations during the assessment and audits

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Control Union assessed the risk for each Indicator using the guidance in Section 11 of SBP Framework Standard 2: Verification of SBP-compliant Feedstock.

The risk assessment has been performed with the use of a technical expert. Determining the risk rating the likely impact of a non-compliance together with the probability of that noncompliance arising was used. and evaluated risk at both regional and the individual forest.

1.2.1. Specified risk applies to all areas without cadastral data.

Mitigation measure: AtGreen has a procedure on establishing the legality and origin of biomass from lands without cadastral data. AtGreen does not buy wood from wood lands of which the owner rights are unclear. Any unclarity/dispute concerning the ownership of the wood needs to be solved first. A sound comments and complaint procedure on forest operations is also part of the mitigation measures.

2.1.1. The specified risks are HCV 1 Species diversity, and HCV 3 Ecosystems and habitats.

Mitigation measure: Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity or classified as priority species' habitats.

Habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports.

HCV 1 – Species diversity

Species diversity is evaluated and recorded before harvesting operations commence. Caution and best practises are applied. Special attention is given to the National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity Areas (IBAs). See also below indicator 2.2.4.

HCV 3 – Ecosystems and habitats

AtGreen evaluates the environmental impacts (on Ecosystems and habitats) of the forest operations before the forest operations commence. Caution and best practises apply. See also below indicator 2.2.3.

AtGreen ensures:

- mapping of the harvesting plot;
- harvesting according to best practices in sustainable forest management;
- cleaning of waste from plantations;

- tree species (no genetically modified trees).

Steps taken:

- Study publicly available sources (internet sites) and other information regarding the plots where harvesting operations are planned and its surroundings;
- Inform feedstock suppliers on found results regarding possible risks in front;
- Onsite assessment of the plots and their surroundings prior to harvesting, and measures are taken for example when habitats are found;
- Development of adjustments to the harvesting plans, if needed;
- AtGreen inspects the forest operations at the harvesting areas.

2.1.2. HCV1 Species diversity and HCV 3 Ecosystems and habitats are 'specified risk'.

Mitigation measure: The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. All used material is traceable to its origin through the harvest manifests and transport guides. All suppliers have to comply with the laws in force, which are supervised by the Tax Authority and the ICNF (Please see the file 'Plano Regional de Ordenamento Florestal' 'Documentation point 4 'cartografia síntese' (ICNF) for each region). Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity, or classified as priority species' habitats.

AtGreen identifies and maps areas with high conservation values (HCVs) before the harvest commences. HCV 1 and 3 were assessed to have a specified risk. Extra effort is needed to identify and map these values in practice on paper, regarding the forest plot. Internet sources, as well as the local situation needs to be studied.

Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity or classified as priority species' habitats. Habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports.

Atgreen ensures:

- Mapping of the harvesting plot;
- Harvesting according to best practices in sustainable forest management;
- Cleaning of waste from plantations;
- Tree species (no genetically modified trees).

Steps taken:

- Study publicly available sources (internet sites) and other information regarding the plots where harvesting operations are planned and their surroundings;
- Inform feedstock suppliers on found results regarding possible risks in front;
- Onsite assessment of the plots and their surroundings prior to harvesting, measures are taken for example, when habitats are found;
- Development of adaptations to the harvesting plans, if needed.

AtGreen inspects the suppliers and harvesting areas. Atgreen's forestry specialist evaluates the plot before the harvesting operations begin.

Main sources of information used to prepare the identification of these values for the harvesting teams:

For HCV 1 - Species diversity:

- Classified areas: <http://www.icnf.pt/portal/naturaclas/cart>
- Protected area plans: <http://www.icnf.pt/portal/naturaclas/ordgest/poap>
- Endangered species: <http://www.icnf.pt/portal/naturaclas/patrinatur/especies>
- Endemic species:

http://naturdata.com/index.php?option=com_content&view=article&id=78&Itemid=60

- Digital mapping information from the Manual das Linhas Eléctricas [Manual of Electric Lines] (ICNB 2008)
- Important Bird Areas of Portugal at: <http://ibas-terrestres.spea.pt/>
- Regional Forest Plans (PROF): <http://www.icnf.pt/portal/florestas/profs>

For HCV 3 - Ecosystems and habitats:

- Habitats Directive (2007-2012)
- Rede Natura 2000 database: <http://www.icnf.pt/portal/naturaclas/rn2000>
- Important Bird Areas of Portugal at: <http://ibas-terrestres.spea.pt/>
- Convention on Biological Diversity (CBD) via DL nr. 21/93, dated 29 June.

2.1.3. There are no assurances new eucalyptus plantations from after January 2008 are not already maintained or harvested

Mitigation measure: Atgreen checks if forests have been changed to plantations after 2008. When a plantation is cut (e.g. eucalyptus, poplar) the history of the plantation is investigated as follows:

- The year of conversion to plantation (if it was converted after 2008); if needed, interviews with stakeholders and residents are made, and the plot is searched for tree stumps.
- Was it a forest before being converted to plantation?

- Will a plantation be established here after current operations? If land use change (conversion) is planned, feedstock from there is not accepted as SBP compliant. This is dealt in the feedstock supplier declaration and addressed in the field operations checklist.

2.2.1. To the majority of small owners no forest management plan applies, the regional forest plans apply only to plots above a certain size.

Mitigation measure: In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification), or a plan is available but does not apply to a small holder, an additional assessment of environmental impacts is made and recorded before harvest. Special attention is given to plots smaller than the minimum threshold for the mandatory Forest Management Plan (PROF) and outside the SNAC.

Before harvesting operations commence, the plot is visited and evaluated:

- The possible economical, ecological and social impact of the forest operations, including its surroundings. Harvesting plans can be changed to avoid negative impacts;
- The quality of the management (by the land owner) prior to harvesting and regeneration plan;
- Specific Plans for Forest Intervention (PEIF) are studied for specific measures for the intervention on forest areas with major biotic problems (e.g.: invasive species, plagues or diseases) or abiotic (e.g.: high risk of forest fire);
- Potential impacts of operations on ecosystems and biodiversity are identified. Impacts inside and outside the area of operation are considered, for example downstream;
- Impacts are monitored and monitoring results are used to improve operational practices.

Indicators 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2 include relevant management measures which are checked.

2.2.2. In approximately half the country there is a risk of degradation of (dry) soils, mainly due to previous land-use practices and choice of introduced tree species.

Mitigation measure: Before harvesting operations commence the plot is visited and evaluated. Best forestry practices apply:

- Were needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha are planned;
- Regeneration focusses on tree species that maintain or improve soil quality;
- Leave nutrients in the forests, mainly the green fraction of forest residues less or equal to 3cm (on the other hand other forest residues need to be cleared to prevent forest fires);
- Do not operate near water areas;
- Fertilisation of the ground, when needed and possible.

On dry locations selective cuttings are often preferable, because the ground gets less direct impact of the sun and the forest can maintain soil quality and regenerate naturally. Poor soil quality can lead to erosion and other problems.

2.2.3. In Portugal, key ecosystems and habitats are mostly located in protected areas and in Classified Areas (Natura 2000). However, approximately 2/3 of classified areas are not included in protected areas of the National Network of Protected Areas

Mitigation measure:- Training of suppliers, assessing and selecting 'SBE approved' suppliers;

- Desk assessment (before harvesting operations commence) of key ecosystems and habitats:

- o All classified areas:

- National Network of Protected Areas;

- Special Areas of Conservation (SAC);

- Special Protection Areas (SPA);

- Ramsar sites;

- Important Bird Areas (IBA);

- o Priority habitats in Natura 2000 network;

- o Areas where threatened species occur;

- o Areas where endemic species of the Iberian Peninsula occur;

- o Areas where seasonal concentrations of species occur;

- o Large landscape level forests;

- o Important areas for watershed protection;

- Forest plot inspection prior harvesting;

- 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;

- Change of operational plan, if necessary;

AtGreen keeps records of field inspections and continuously evaluates the results of the feedstock suppliers.

2.2.4. Some of the main threats to the biological diversity of Portugal include: alteration 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 and the aggressive nature of Eucalyptus vegetations puts biodiversity under pressure. Several sources report the decline of biodiversity.

Mitigation measure: AtGreen prepares data on ecosystems and habitats (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats). This information is given to all feedstock suppliers. Feedstock suppliers are trained to recognise key ecosystems and habitats.

Steps in risk mitigation:

- Training of suppliers, assessing and selecting 'SBE approved' suppliers;
- Desk assessment (before harvesting operations commence) of 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;
- Forest plot inspection prior harvesting;
- 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);
- Change of operational plan, if needed.

2.2.6. Small land owners are not obliged to take risks to the surroundings into consideration. These risks can also be related to water lines.

Mitigation measure: AtGreen monitors the harvesting operations of its feedstock suppliers.

Best practices are required to comply with the SBE program requirements.

- Desk assessment (before harvesting operations commence) of Important areas for watershed protection;

- Cork oak and holm oak savannas located in areas with an aquifer recharge rate of over 175 mm/year;

- Aquifers.

The plots and the surroundings (hill slopes and streams) are inspected on:

- Runoff problems (regarding the landscape, onsite and in the surroundings);
- Groundwater level problems (too high or too low);
- Protection of riversides and (lake) coastlines;
- In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha;
- Best forestry practices;
- Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water runoff;
- Runoff of elements from fertilizers and pesticides into the surrounding environment.

2.3.2. Portugal still performs poorly on work efficiency (and safety). The National Strategy for Forests states that the focus on the professionalization and training of the different actors in the forestry sector is of key importance for increasing the competitiveness and, thereby, the development of the sector.

Mitigation measure:- AtGreen trains its personnel on all relevant aspects and demands the same from its feedstock suppliers;

- Training and its records are obligatory according to legislation;
- Records of supplier qualification process and checked during supplier inspections;
- Training conducted by AtGreen includes best forest management practises;
- Based on results of plot assessments, training on identification of key ecosystems, habitats and species biodiversity is given to suppliers;
- AtGreen performs supplier inspections: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits.

2.4.2. The forests, in particular eucalyptus plantations, have to be managed according to best practices or the risk of forest fire is significant.

Mitigation measure:Specified risk is assessed on the fire protection management at forest level:

- Visual inspection of the plot before harvesting (checklists). Checked is if the plot was managed well on fire protection in the past; if not, the feedstock is not considered compliant.
- Investigation of PMDFCI -Plano Municipal de Defesa da Floresta Contra Incêndios (Municipal Plan for Forests Fire Protection);
- Implementation of forest fire fighting measures according to law;
- Best forest practices;
- Monitoring performance by AtGreen;
- Thinning activities and use of end of life timber by AtGreen has a positive effect on mitigating the risk of forest fires.

2.6.1. Considering the situation in Portugal this indicator needs additional attention to perform sufficiently well on social aspects related to sustainable forest management and best practices

Mitigation measure:- AtGreen actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before harvesting operations commence (and not to buy from the disputed plots);

- AtGreen makes clear to employees and stakeholders that any complaint or comment related to feedstock supply is taken very seriously, to ensure sufficient performance on legality and social aspects of Sustainable Forest Management;
- AtGreen has a complaint procedure and keeps records. The feedstock suppliers are also required (signed supplier declaration) to actively implement a complaint procedure and keep records.
- AtGreen monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. Proactive interviews with relevant stakeholders, such as land owners on submitted comments (orally and in writing), and assessment if complaints were dealt with sufficiently;
- The results of the inspections of AtGreen have direct influence on the 'SBE program approved' status of feedstock suppliers.

2.8.1. Regardless of its legal requirements, Portugal still performs poorly on work safety.

Mitigation measure:AtGreen has a control system and adequate procedures on health and safety of workers, demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring (administrative and field) inspections.

- Supplier qualification process and inspections of supplier's company;
- Insurance and aptitude forms;
- Social Security;
- Present workforce and training (new) personnel;
- Health and safety procedures;
- Training records and hiring of specialists;
- Records of Personal Protection Equipment (PPE) delivery;

- Records of machinery safety tools and equipment on documental register;
- Medical records of employers.

On field inspection to supplier:

- Protective equipment use;
- Medical kits;
- Fire extinguishers;
- Respect of safety distances;
- Level of knowledge/training of personnel.

2.9.1. There is a specified risk of reducing carbon stocks in certain areas.

Mitigation measure: Wood from forests converted to plantations, as also wood lands that are converted to non-forest use are not considered SBP compliant. Wood from

forests which are not managed according to best practices and which do

not safeguard the carbon stocks above (regeneration of forests) and in the

soil (degradation of soils) are not considered SBP compliant. See indicator 2.2.2. Non-compliance with this indicator can also result in not procuring the feedstock.

- Desk assessment, monitoring, and identification – High-risk and “Important areas for carbon storage”;
- Field inspections and possible adaptations of forest management plans;
- Limitation of harvesting operations on “Important areas for carbon storage”. See indicator 2.1.3.

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
Portugal	1.2.1 The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and	Specified risk applies to all areas without cadastral data. 47% of the land area of Portugal has no Cadastral data. Moreover, the northern and central part of Portugal are characterised by hundred thousands of small private properties. The boundaries of these properties	AtGreen has a procedure on establishing the legality and origin of biomass from lands without cadastral data. AtGreen does not buy wood from wood lands of which the owner rights are unclear. Any unclarity/dispute concerning the ownership of the wood needs to be solved first. A sound comments and complaint

	land use can be demonstrated for the Supply Base.	are sometimes disputable. Also, the official registration of the property rights can be outdated. For practical reasons, landowners can decide to sell or transfer (inherit) parts of their property without registering the change to the government. Plots can be abandoned and the property rights can be unclear, and some may try to take advantage of the situation. Wood lands can also be impounded by the government.	procedure on forest operations is also part of the mitigation measures.
Portugal	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.	The specified risks are HCV 1 Species diversity, and HCV 3 Ecosystems and habitats. Portugal has a decreasing biodiversity and most wood lands are managed by small landowners, to whom few requirements on sustainable forest management apply; there is no obligatory analysis of critical ecosystem values. The regional forest management plans are not obligatory for the holders of small forests and plantations. Species diversity, ecosystems and habitats are insufficiently protected considering the majority of the forest operations in the north and centre of Portugal. Small land owners and harvesting companies working on small plots do not need to draw attention to the organisations, websites and reports mentioned in the SBE in relation to this indicator. The parcels are normally simply clear cut. A threat to forests like forest fires is identified on maps but is not addressed adequately by many forest owners. Many estates are	Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity or classified as priority species' habitats. Habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports. HCV 1 – Species diversity Species diversity is evaluated and recorded before harvesting operations commence. Caution and best practises are applied. Special attention is given to the National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity

		not or are poorly maintained. SEPNA forest guards do not check on this sufficiently.	Areas (IBAs). See also below indicator 2.2.4. HCV 3 – Ecosystems and habitats AtGreen evaluates the environmental impacts (on Ecosystems and habitats) of the forest operations before the forest operations commence. Caution and best practises apply. See also below indicator 2.2.3. AtGreen ensures: - mapping of the harvesting plot; - harvesting according to best practices in sustainable forest management; - cleaning of waste from plantations; - tree species (no genetically modified trees). Steps taken: - Study publicly available sources (internet sites) and other information regarding the plots where harvesting operations are planned and its surroundings; - Inform feedstock suppliers on found results regarding possible risks in front; - Onsite assessment of the plots and their surroundings prior to harvesting, and measures are
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			taken for example when habitats are found; - Development of adjustments to the harvesting plans, if needed; - AtGreen inspects the forest operations at the harvesting areas.
Portugal	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.	HCV1 Species diversity and HCV 3 Ecosystems and habitats are 'specified risk'. HCV 1 – Species diversity There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm species diversity. Special attention Should be given to the National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity Areas (IBAs). HCV 3 – Ecosystems and habitats There is a specified risk that forest operations on private, community and public areas not managed by ICNF could harm ecosystems and habitats.	The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. All used material is traceable to its origin through the harvest manifests and transport guides. All suppliers have to comply with the laws in force, which are supervised by the Tax Authority and the ICNF (Please see the file 'Plano Regional de Ordenamento Florestal' 'Documentation point 4 'cartografia síntese' (ICNF) for each region). Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity, or classified as priority species' habitats. AtgGreen identifies and maps areas with high conservation values (HCVs) before the harvest commences. HCV 1 and 3 were assessed to have a specified risk. Extra effort is needed to identify and map these values in practice on paper, regarding the forest plot. Internet sources, as well as the

			local situation needs to be studied. Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity or classified as priority species' habitats. Habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports. Atgreen ensures: - Mapping of the harvesting plot; - Harvesting according to best practices in sustainable forest management; - Cleaning of waste from plantations; - Tree species (no genetically modified trees). Steps taken: - Study publicly available sources (internet sites) and other information regarding the plots where harvesting operations are planned and their surroundings; - Inform feedstock suppliers on found results regarding possible risks in front;
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			- Onsite assessment of the plots and their surroundings prior to harvesting, measures are taken for example, when habitats are found; - Development of adaptations to the harvesting plans, if needed. AtGreen inspects the suppliers and harvesting areas. Atgreen's forestry specialist evaluates the plot before the harvesting operations begins. Main sources of information used to prepare the identification of these values for the harvesting teams: For HCV 1 - Species diversity: - Classified areas: http://www.icnf.pt/portal/naturaclas/cart - Protected area plans: http://www.icnf.pt/portal/naturaclas/ordgest/poap - Endangeredspecies: http://www.icnf.pt/portal/naturaclas/patrinatur/especies - Endemic species: http://naturdata.com/index.php?option=com_content&view=article&id=78&Itemid=60 - Digital mapping information from the Manual das Linhas Eléctricas [Manual of Electric Lines] (ICNB 2008) - Important Bird Areas of
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			Portugal at: http://ibas-terrestres.spea.pt/ - Regional Forest Plans (PROF): http://www.icnf.pt/portal/florestas/profs For HCV 3 - Ecosystems and habitats: - Habitats Directive (2007-2012) - Rede Natura 2000 database: http://www.icnf.pt/portal/naturaclas/rn2000 - Important Bird Areas of Portugal at: http://ibas-terrestres.spea.pt/ - Convention on Biological Diversity (CBD) via DL nr. 21/93, dated 29 June.
Portugal	2.1.3 The BP has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.	There are no assurances new eucalyptus plantations from after January 2008 are not already maintained or harvested. Moreover, the forest fires result in instant harvesting of plantations, regardless of their age. Besides, poplar and other tree species can be considered a plantation and the new law only covers eucalyptus. In practise there will be many issues regarding this indicator on land conversion in the future as well. The government has too little information on the present landcover and too little capacity to implement the new legislation in full. For example, after a forest fire, it will be difficult to determine if illegal conversion to plantations takes place, regarding the many affected	Atgreen checks if forests have been changed to plantations after 2008. When a plantation is cut (e.g. eucalyptus, poplar) the history of the plantation is investigated as follows: - The year of conversion to plantation (if it was converted after 2008); if needed, interviews with stakeholders and residents are made, and the plot is searched for tree stumps. - Was it a forest before being converted to plantation? - Will a plantation be established here after current operations? If land use change (conversion) is planned, feedstock from there is not accepted as SBP compliant.

		woodland parcels and timeframe for regenerating forest areas. Besides, eucalyptus plantations can result in aggressive natural regeneration after forest fires and, in that case, little can be done to avoid conversion of neighbouring plots. The conversion of forests to urban and agricultural use is significant. In total, the forest area decreased by 150.611 ha (between 1995 and 2010, according to the 6th National Forest Inventory of the ICNF). In general, the area of plantation has grown where other forested areas have declined. The new law restricting conversion to eucalyptus plantations does not safeguard this issue sufficiently.	This is dealt in the feedstock supplier declaration and addressed in the field operations checklist.
Portugal	2.2.1 The BP has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.	To the majority of small owners no forest management plan applies, the regional forest plans apply only to plots above a certain size.	In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification), or a plan is available but does not apply to a small holder, an additional assessment of environmental impacts is made and recorded before harvest. Special attention is given to plots smaller than the minimum threshold for the mandatory Forest Management Plan (PROF) and outside the SNAC. Before harvesting operations commence, the plot is visited and evaluated: • The possible economical, ecological and social impact of the forest operations, including

			its surroundings. Harvesting plans can be changed to avoid negative impacts; • The quality of the management (by the land owner) prior to harvesting and regeneration plan; • Specific Plans for Forest Intervention (PEIF) are studied for specific measures for the intervention on forest areas with major biotic problems (e.g.: invasive species, plagues or diseases) or abiotic (e.g.: high risk of forest fire); • Potential impacts of operations on ecosystems and biodiversity are identified. Impacts inside and outside the area of operation are considered, for example downstream; • Impacts are monitored and monitoring results are used to improve operational practices. Indicators 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2 include relevant management measures which are checked.
Portugal	2.2.2 The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b)	In approximately half the country there is a risk of degradation of (dry) soils, mainly due to previous land-use practices and choice of introduced tree species. The issue of desertification has existed for centuries and now become worse due to climate change. The plantations of eucalyptus need fertilisation or deplete the soil. Soil quality also depends on the availability of fresh water.	Before harvesting operations commence the plot is visited and evaluated. Best forestry practices apply: • Were needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha are planned; • Regeneration focusses on tree species that maintain or improve

			soil quality; • Leave nutrients in the forests, mainly the green fraction of forest residues less or equal to 3cm (on the other hand other forest residues need to be cleared to prevent forest fires); • Do not operate near water areas; • Fertilisation of the ground, when needed and possible. On dry locations selective cuttings are often preferable, because the ground gets less direct impact of the sun and the forest can maintain soil quality and regenerate naturally. Poor soil quality can lead to erosion and other problems.
Portugal	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).	In Portugal, key ecosystems and habitats are mostly located in protected areas and in Classified Areas (Natura 2000). However, approximately 2/3 of classified areas are not included in protected areas of the National Network of Protected Areas. Besides, there are key ecosystems and habitats occurring outside Protected and Classified areas. In practise, landowners and harvesting companies have too little knowledge of key-habitats and which habitats need to be conserved.	- Training of suppliers, assessing and selecting 'SBE approved' suppliers; - Desk assessment (before harvesting operations commence) of key ecosystems and habitats: - o All classified areas: - National Network of Protected Areas; - Special Areas of Conservation (SAC); - Special Protection Areas (SPA);

			- Ramsar sites; - Important Bird Areas (IBA); - o Priority habitats in Natura 2000 network; - o Areas where threatened species occur; - o Areas where endemic species of the Iberian Peninsula occur; - o Areas where seasonal concentrations of species occur; - o Large landscape level forests; - o Important areas for watershed protection; - Forest plot inspection prior harvesting; - 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; - Change of operational plan, if necessary; AtGreen keeps records of field inspections and continuously
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			evaluates the results of the feedstock suppliers.
Portugal	2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).	About 3.600 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: alteration 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 and the aggressive nature of Eucalyptus vegetations puts biodiversity under pressure. Several sources report the decline of biodiversity.	AtGreen prepares data on ecosystems and habitats (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats). This information is given to all feedstock suppliers. Feedstock suppliers are trained to recognise key ecosystems and habitats. Steps in risk mitigation: - Training of suppliers, assessing and selecting 'SBE approved' suppliers; - Desk assessment (before harvesting operations commence) of 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; - Forest plot inspection prior harvesting; - 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); - Change of operational plan, if needed.
Portugal	2.2.6 The BP has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).	The thresholds mentioned by law are 50 ha and 10 ha. This are still large areas regarding the populated and hilly countryside of Portugal. A clear-cut area of less than 10 ha can easily create runoff and erosion dangers. The landscape can create dangerous situations; residents could be living in the valley. Small land owners are not obliged to take risks to the surroundings into consideration. These risks can also be related to water lines.	AtGreen monitors the harvesting operations of its feedstock suppliers. Best practices are required to comply with the SBE program requirements. - Desk assessment (before harvesting operations commence) of Important areas for watershed protection; - Cork oak and holm oak savannas located in areas with an aquifer

			recharge rate of over 175 mm/year; - Aquifers. The plots and the surroundings (hill slopes and streams) are inspected on: - Runoff problems (regarding the landscape, onsite and in the surroundings); - Groundwater level problems (too high or too low); - Protection of riversides and (lake) coastlines; - In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha; - Best forestry practices; - Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water runoff; - Runoff of elements from fertilizers and pesticides into the surrounding environment.
Portugal	2.3.2 Adequate training is provided for all personnel, including employees and contractors	Despite legal requirements, Portugal still performs poorly on work efficiency (and safety). The National Strategy for Forests states that the focus on the professionalization and training of the different actors in the	- AtGreen trains its personnel on all relevant aspects and demands the same from its feedstock suppliers;

	(CPET S6d).	forestry sector is of key importance for increasing the competitiveness and, thereby, the development of the sector.	- Training and its records are obligatory according to legislation; - Records of supplier qualification process and checked during supplier inspections; - Training conducted by AtGreen includes best forest management practises; - Based on results of plot assessments, training on identification of key ecosystems, habitats and species biodiversity is given to suppliers; - AtGreen performs supplier inspections: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits.
Portugal	2.4.2 The BP has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).	Considering the lack of an implementation of forest management plans and forest debris cleaning, the risk of forest fires is high. Fires are today the greatest perceived risk in the Portuguese forest sector. Biotic and abiotic risks are supported by disturbances affects. The forests, in particular eucalyptus plantations, have to be managed according to best practices or the risk of forest fire is significant.	Specified risk is assessed on the fire protection management at forest level: - Visual inspection of the plot before harvesting (checklists). Checked is if the plot was managed well on fire protection in the past; if not, the feedstock is not considered compliant. - Investigation of PMDFCI - <i>Plano Municipal de Defesa da Floresta Contra Incêndios</i> (Municipal Plan for Forests Fire Protection); - Implementation of forest fire fighting measures according to

			law; - Best forest practices; - Monitoring performance by AtGreen; - Thinning activities and use of end of life timber by AtGreen has a positive effect on mitigating the risk of forest fires.
Portugal	2.6.1 The BP has implemented appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.	Considering the situation in Portugal this indicator needs additional attention to perform sufficiently well on social aspects related to sustainable forest management and best practices. There are many land owners with small properties in Portugal. Some regions of the country lack cadastral data, which gives problems on assessing the boundaries of harvesting plots. It is crucial to identify and solve grievances and disputes before the harvesting operations commence (with special attention to the indicators, which are categorised 'specified risk'). Land owners and harvesting companies normally do not actively implement complaint procedures and do not keep records on complaints and comments. This indicator is important to perform sufficiently on several other indicators.	- AtGreen actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before harvesting operations commence (and not to buy from the disputed plots); - AtGreen makes clear to employees and stakeholders that any complaint or comment related to feedstock supply is taken very seriously, to ensure sufficient performance on legality and social aspects of Sustainable Forest Management; - AtGreen has a complaint procedure and keeps records. The feedstock suppliers are also required (signed supplier declaration) to actively implement a complaint procedure and keep records. - AtGreen monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. Proactive interviews with relevant stakeholders, such as land owners on submitted comments (orally and in writing), and assessment if complaints

			were dealt with sufficiently; - The results of the inspections of AtGreen have direct influence on the 'SBE program approved' status of feedstock suppliers.
Portugal	2.8.1 The BP has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).	Regardless of its legal requirements, Portugal still performs poorly on work safety. International Trade Union Confederation (IUTC) ranks countries against 97 indicators to assess where workers' rights are best protected. Portugal has a rating of 3 (from 1 to 5+). This score is given for countries where: There are 'Regular violations of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.'	AtGreen has a control system and adequate procedures on health and safety of workers, demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring (administrative and field) inspections. - Supplier qualification process and inspections of supplier's company; - Insurance and aptitude forms; - Social Security; - Present workforce and training (new) personnel; - Health and safety procedures; - Training records and hiring of specialists; - Records of Personal Protection Equipment (PPE) delivery; - Records of machinery safety tools and equipment on documental register; - Medical records of employers. On field inspection to supplier: - Protective equipment use; - Medical kits;

			- Fire extinguishers; - Respect of safety distances; - Level of knowledge/training of personnel.
Portugal	2.9.1 Feedstock is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.	There is a specified risk of reducing carbon stocks in certain areas. This risk is more specifically related to the risks mentioned in the following indicators: a. 2.1.3 (land conversion), and b. 2.2.2 (degradation of soils). Over the period 1995 – 2010 the forest decreased 4,6%. The net decrease of forest areas (150.611 ha) is mainly due to conversion to ‘brush and pastures’. Significant areas of forests were converted to urban use (28.000 ha). Data sources, such as the FAO, indicate overall forest area has been recovering / stabilising over the last years. However, within the dynamics of the overall forest area, it are the ‘plantations’ that have increased and ‘other wooded areas’ that have decreased. Between 2000 and 2018, the share of forests with high carbon stocks has decreased the most. The amount of carbon per ha in the forests has decreased. Systematic insufficient maintenance of eucalyptus plantations and proven risk of deliberately lighting forest fires are also reasons to trigger a risk indication on decreased carbon stock (insufficient control on the situation through law enforcement).	Wood from forests converted to plantations, as also wood lands that are converted to non-forest use are not considered SBP compliant. Wood from forests which are not managed according to best practices and which do not safeguard the carbon stocks above (regeneration of forests) and in the soil (degradation of soils) are not considered SBP compliant. See indicator 2.2.2. Non-compliance with this indicator can also result in not procuring the feedstock. - Desk assessment, monitoring, and identification – High-risk and “Important areas for carbon storage”; - Field inspections and possible adaptations of forest management plans; - Limitation of harvesting operations on “Important areas for carbon storage”. See indicator 2.1.3.

7 Non-conformities and observations

NC number NC-001481 (2022-02) NC Grading: Minor	
Standard:	SBP Standard 1: Feedstock Compliance Standard
Requirement:	2.1 General Principles
Description of Non-conformance and Related Evidence:	
The important HCV areas critical to conservation are designated as protected and classified areas at national or EU level (Natura 2000), there are very likely a large number of smaller areas or biotopes important to biodiversity or as classified priority species and habitats could be unidentified. The approach is to first do an internet check and then a field check. The results of these checks and mitigation measures are developed, documented and should be mapped. However, no mapping of the harvesting area at Santa Cruz was done.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-001482 (2022-04) NC Grading: Minor	
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	16.3 The BP shall implement a plan to monitor the effectiveness of the mitigation measures, at least annually (i.e. every 12 months).
Description of Non-conformance and Related Evidence:	
"The organization monitors all feedstock based on the procedures as described in chapter ""Sistema de Monitorização da SBE"" in the Manual FSC e SBP. While the chapter defines the process for approving suppliers and feedstock as SBP-compliant, the subsequent monitoring process for effectiveness of the mitigation measures is not well defined. Further, this chapter states that if it is not possible to implement mitigation measures, the feedstock may be obtained as SBP controlled and not shall be obtained. "	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date

Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-001483 (2022-05) NC Grading: Minor	
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.2.5 For all feedstock inputs the BP will keep input records. In addition to meeting the requirements specified in the SBP-approved CoC system being implemented, the input records will contain at least: a) Invoice reference(s) or other transaction number b) A description of the physical properties of the feedstock c) The volume of physical input d) The supplier e) Transaction date f) The certificate numbers of any certified suppliers For legal owners downstream of the biomass production process: Biomass inputs
Description of Non-conformance and Related Evidence:	
Suppliers sale and delivery documentation is verified at the entry of the factory, where data is being entered into "Entradas Matéria Prima.xls", however, there is nowhere in this spreadsheet to record the transport documentation (Guia de Remessa)	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-001484 (2022-01) NC Grading: Observation	
Standard:	SBP Standard 1: Feedstock Compliance Standard
Requirement:	1 Background

Description of Non-conformance and Related Evidence:	
The document showing ownership for the harvest site visited, Santa Cruz, owned by the Junta de Freguesia Vila Cova e Coelheira was not provided. As the wood from this site is not being purchased by AT Green, an Observation is raised.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

NC number NC-001485 (2022-03) NC Grading: Observation	
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.1 The BP shall implement a management and monitoring system to maintain compliance with the requirements of this and all other relevant SBP Standards, together with a process of review and feedback into planning (CPET S6b).
Description of Non-conformance and Related Evidence:	
The management system for SBP is described in the Manual da Cadeia de Responsabilidade. Regular monitoring and annual management reviews ensures compliance with the requirements of this and all other relevant SBP Standards, and supports a process of review and feedback into planning. However, there are inconsistencies between the supplier, scope and SBR regarding species (fraxinus angustifolia)	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Robin Rosendahl
Date of decision:	22 Aug 2022
Other comments:	N/A