



NEPCon OÜ Evaluation of Glowwood Indústria SA Compliance with the SBP Framework: Public Summary Report

Re-assessment

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Rui Simoes
Audit team members:	Rui Simoes
Name of the Company:	Glowood Indústria SA
Company legal address:	Parque Empresarial, Lote 11, CP. 7555-213 Expansão 1, Portugal
Company contact for SBP:	Natércia Carvalho
Company contact email:	ncarvalho@glowood.pt
Company website:	N/A
SBP Certificate Code:	SBP-01-30
Date of certificate issue:	19 Aug 2016
Date of certificate expiry:	18 Aug 2021
Audit closing meeting date:	04 Feb 2021
Audit cycle:	Re-assessment

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 1.3	☐
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: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	FSC: NC-COC-021584	☐
	Credit	☐

2.1 Description of the company

Glowood – Industria, SA was founded in May 2011 with the support of IAPMEI through the POAlentejo program. Dedicated to the production and marketing of pellets, with strong commitment to the foreign market, since more than 90% of the production is for export. BP purchases logs, chips and sawdust for primary production. Species are mainly pine (*Pinus pinaster* and *Pinus pinea*). For the drying process, in addition to pine biomass (small logs, bark, waste and leftover), the BP also use small roundwood and leftovers of Eucalyptus (*Eucalyptus* spp.) and rarely poplar (*Populus* spp), acacia (*Acacia* spp) and Ash (*Fraxinus angustifolia*). All incoming feedstock is either FSC certified, FSC Controlled or controlled according to the existing FSC Controlled wood verification program. FSC Controlled wood verification program is applicable for feedstock originating from Continental Portugal. Origin information at FMU level (forestry) is available on the delivery documents and an obligatory manifest. The BP is implementing a FSC credit system. Biomass is transported by truck and is sold at Sines Port. Transport responsibility is hold by the customer from Sines Port under incoterms conditions FOB.

2.2 Detailed description of the Chain of Custody system

The Organisation holds a valid FSC Chain of Custody with FSC Controlled wood in the scope of the certificate. Critical control points of the FSC CoC system were evaluated also during SBP audit. The Organisation has implemented a FSC credit system. All the input materials are received either with FSC certified claim, FSC Controlled wood claim or the material is covered by organisation's own Controlled wood verification system. The Controlled wood system includes only material from Portugal. The organization does not use any imported material. Incoming wood reception register and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal management system. No physical separation is needed. Based on the credit account management the proportion of the SBP-compliant and SBP-controlled biomass is calculated and all records are kept updated.

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 the evaluation covered:

- Review of the BP's management procedures;
- Review of the BP's Supply Base Evaluation and its Mitigation Measures;
- Field visits to verify the Mitigation Measures in forests of origin
- Review of the production processes, production site visit (limited by COVID 19 pandemic restrictions);
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;

SAR and profiling data collection analysis

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Rui Simoes	8,0
2. On-site (excl. travel time)	Rui Simoes	16,0
3. Report writing	Rui Simoes	16,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Remote	Rui Simoes	03 Feb 2021/09:00
<i>SBP requirements and procedures</i>	Remote	Rui Simoes	03 Feb 2021/09:30
<i>STD1 SBE Analysis</i>	Remote	Rui Simoes	03 Feb 2021/10:00
<i>STD2 SBR Analysis</i>	Remote	Rui Simoes	03 Feb 2021/11:00

<i>STD4 Chain of Custody</i>	Remote	Rui Simoes	03 Feb 2021/14:00
<i>STD5 Energy data Collection</i>	Remote	Rui Simoes	03 Feb 2021/15:00
<i>Forestland visits planning</i>	Remote	Rui Simoes	03 Feb 2021/16:30
<i>Field Visits</i>	Algarve region	Rui Simoes	04 Feb 2021/09:30
<i>Field Visits</i>	Alentejo region	Rui Simoes	04 Feb 2021/12:30
<i>Woodyard verification</i>	Industrial plant	Rui Simoes	04 Feb 2021/16:30
<i>Auditor preparation</i>	Industrial plant	Rui Simoes	04 Feb 2021/17:00
<i>Closing Meeting</i>	Industrial plant	Rui Simoes	04 Feb 2021/17:30

Auditor qualification		
Auditor name	Role	Qualification
Rui Simoes	Lead auditor	Forestry engineer > 20 year experience in forest project, management and works. Author of several fluvial and semiarid restoration projects and field works. FSC, PEFC, SBP & Forest Ecosystem Restoration auditor for NEPCon. EU Climate, Nature & Biodiversity projects evaluator. PhD Climate Change applicant. International experience working on English, Spanish and French language, besides mother Portuguese. International experience working on English, Spanish and French language, besides mother Portuguese.

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4.2 Description of evaluation activities

The audit visit was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC CoC system and FSC CoC system control points as well as the collection of the energy data.

Description of the audit evaluation:

The SBP related documentation connected to the SBP as well as FSC CoC/Controlled wood system of the organisation, including SBP Procedures, Energy related data, Supply Base Report, were evaluated during the assessment.

Audit was made using a hybrid system to minimize COVID 19 risks and address the pandemic national restrictions. As such the audit was remotely conducted in every documented and PC systems which allow screen sharing. Forestland field visits were done by personnel visits with the auditor travelling in a separated car. Wood yard inspection was also done directly by auditor in person.

Audit started with an opening meeting attended by the Quality Manager, the Chief Officer and an external consultant (forest engineer) that supports the company in the SBP (and FSC) implementation.

Auditor provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope.

After that auditor went through all applicable requirements of the SBP standards nrs. 1, 2, 4, 5 and relevant instruction documents (5e) covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, energy data and categorisation of input and verification of SBP compliant and SBP Controlled feedstock/ biomass. During the process overall responsible person for SBP system as well as other persons having key responsibilities within the system were interviewed, such as sales of product and rough wood entries.

After the first remote day a field day was needed to complete de SBP Standard #1 assessment, regarding mitigation measures applied by BP at FMU's level.

At the end of the audit findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the all the Glowood team.

4.3 Sampling methodology

The visited FMU's were 0,6V#FMU of all of the ones which have been included by BP to the SBE scope, meaning out of 55 FMUs , 5 of approved FMU's were planned to visit from 5 different loggers. At the end only four of the 5 planned FMUs were visited as time was not enough for the last chosen one (José Dias e Filhos ZILL). This was considered a minor question by auditor as the same set logger/FMU was visited the previous year.

4.4 CB stakeholder engagement

A stakeholder consultation was made by email. A list of the relevant stakeholders was created based on the Portugal FSC regional office stakeholder list. More than 100 organizations were contacted: Environmental and forest public administration, environmental and social NGOs, forest associations, industries, research institutions, forest owners, government agencies and certification bodies.

4.5 Stakeholder feedback

No feedback was received.

5 Results

5.1 Main strengths and weaknesses

Strengths:

BP purchases of SBP Compliant Feedstock and PEFC certified, both has increased comparing with last year.

Weaknesses:.

FSC certified feedstock has retreated about 26% compared with previous year

See NCR 01/2021

5.2 Rigour of Supply Base Evaluation

Supply Base is still the same from 2018 year, found at published 2020 SBR.

As no unspecified risks were found (only specified), no Supplier Verification Program was performed by BP.

After the risk assessment was completed, mitigation measures were proposed and consulted with stakeholders. As no comments were received, the organization has been implementing the mitigation measures for the specified risk indicators as initially proposed.

5.3 Collection and communication of data

SAR completion has been done according to the standard and all data provided by the BP was verified for their consistency and accuracy.

5.4 Competency of involved personnel

The key personnel involved directly in the audit and the SBP implementation are the 3 listed below. During the reassessment audit it was revealed that their competences, expertise and capacities were suitable to implement SBP certification requirements:

- Natércia Carvalho, Environment Eng, . QAS – Quality manager, who is managing also all the certificates of BP;
- Giovanni Alencastro, Forest Engineer , External Consultant who is contracted for forest matters, which includes sourcing the forest based material and field visits and reports for SBP Std.#1;
- João Baetas, CEO – Mechanic engineer, CEO. Main responsible for the company and also responsible and actively involved at sales.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Company Risk Assessment was developed consistently, all risks were correctly classified by the BP. It is justified and supported by adequate documentary evidences. It was not changed since previous audit.

Mitigation measures taken by BP to address specified risks have the following development:

a a) Suppliers evaluation and selection to assure they comply with relevant legal requirements, which is done by a group of procedures including declaration (IMP31), collection of information and internal monitoring audit by forest specialist and quality manager.

b b) Harvesting Plot – All the FMU's for the SBE process are evaluated prior to harvesting by the external forest specialist. The first step is to conduct a desk assessment evaluating different information and documents received from the suppliers and FMUs. Based on the information received, it is designated whether low risk for all indicators was reached or if field assessment is necessary. Field assessment process is applicable to all FMU's where documents evaluated during the desk verification did not clearly prove that there is low risk for specific FMU. In case the evaluation of the documents did not prove clearly the low risk for each FMU field verification done by forestry expert is carried out prior the harvesting works.

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
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.	There is a legal framework which includes the need of identification and map all national Natural Values by national authorities with a deadline of October 2017. HCV used for the current Risk Analysis are based on those defined for FSC in Portugal by FSC Portugal, updated by Portugal CW CNRA. (FSC Portugal as another updated definition which may consulted https://pt.fsc.org/preview.interpret-ao-nacional-das-florestas-de-alto-valor-de-conservacao-anexo-vi.a-392.pdf According to the available information there are specified risks that important	Suppliers Qualification and Control Program (PSI 16 -Programa de Qualificação e Controlo Fornecedores), including consultation of cartography and others information sources, and verification that forests and other areas with high conservation values (HCV), specifically HCV 1.2, HCV 1.3, HCV 1.4 and HCV 3, are identified and mapped. · Disqualify material coming from areas where high conservation values are not identified and mapped.

		species or habitats are not identified and mapped as following: - HCV 1.2 -Endangered species according to the classification adopted by the International Union for the Conservation of Nature (IUCN) to endangered species: critically endangered (CR), Endangered (EN) and vulnerable (VU). And also protected species contained in the legal conservation instruments in force in Portugal (Habitat and Birds Directives, CITES, Bern Convention, Bonn Convention), which may not be integrated into threat categories above; - HCV 1.3 -Endemic species - HCV 1.4 - Critical seasonal use areas including critical areas of refuge, breeding or migration routes in Portuguese territory, detailed above. HCV3- Areas included or containing rare ecosystems, threatened or endangered (classified as priority habitats by Natura 2000), found inside and outside classified areas. All the other areas are identified and mapped so they are low risk according to this indicator.	Auditor concludes from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the HCV identification and HCV protections compliance related risk mitigation measures properly to effectively mitigate the identified risks.
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	HCV 1- In private and communitarian forest areas classified by the National System of Classified Areas (SNAC) and in the forest areas considered IBAs (Important Bird and Biodiversity Areas), not covered by the National Network of Protected Areas RNAP, there are specified risks that HCV1 attributes are threatened by forest management operations such as harvesting or maintenance. HCV 2- Is well	Consultation of information sources regarding HCVs. · Procedures for conduct specific field audits to identify and address real and potential threats to forests and other areas with high conservation values, specifically HCV 1, HCV 2, HCV 3 and HCV 4, which were previously identified and mapped. · Disqualify material coming from areas where forest management and operations represent evident threats to HCV 1, HCV 2, HCV 3

	forest management activities.	identified in the country as well as its threats. It is considered that the existing safeguards are sufficient to reduce the risks posed by these threats, so there is a low risk involved. HVC 3 - It is considered that the threats on priority habitats on private and communitarian, and public forest areas not managed by ICNF, are not properly safeguarded by existing safeguards, and so there is a specific risk that they were threatened by forest operations. HCV4 & HCV5 - It is considered specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to exploitation by clear cutting at dimensions above to the maximum area indicated for each region by PROF Regional Forestry Management Plan. HCV 6 –Low risk.	and HCV 4. · Promotion of Good Forest Practices · Monitoring plan · GPS onsite and desk map verification · Field audit Auditor concludes from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting HCV identification and HCV protections compliance related risk mitigation measures properly to effectively mitigate the identified risks.
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 two types of forest conversion detected in Portugal: a) Legal type, which covers the majority of conversion areas, including conversion to fast growth forest plantation or other plantations, agriculture, urbanization and dams. b) Illegal type, where conversion data is more complex and difficult to report. These cases are often reported in the media and NGO communications. Considering the absence of complete legislative requirements regulating the conversion of forests to plantation and the statistics about the area converted after 2008., it is considered a specified risk that feedstock is sourced from forests converted to production plantation forest or non-forest	Consultation of historical information sources and information from stakeholders · Analysis of owner's information regarding the past and future area's covering and use. · Procedures to conduct monitoring field audits to verify if feedstock is or is not sourced from forests converted to production plantation forest or non-forest lands after January 2008. · Disqualify material coming from areas where natural forest were converted into Eucalyptus or other plantation from 2008, or to be converted with Eucalyptus or other plantation, or transformed into pasture, agriculture or other non-forest use;

		lands after January 2008.	· Promotion of Good Forest Practices · Monitoring plan · . Desk map verification · · Field audit looking for signs of conversion in the ground. · · Stakeholders and landowner consultation. A Auditor concludes from the field inspections, interviews and records revision that BP's responsible is conducting appropriate control system to ensure the no feedstock from conversion is used in the pellet production.
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.	It is considered there are specified risks that feedstock is sourced from forests where there is no appropriate assessment of impacts, when clear cuttings are done over a specific size area. This specific area is defined regionally by each Regional Forest Plan (PROF), as the maximum clearcutting area or the size of even aged monoespecific forest stand. This risk is associated to private and communitarian, and public forest properties which are not managed by Forest Services (ICNF).	1. Consultation of information sources and legislation regarding impact assessment. · Analysis of information from the area regarding social and environmental aspects · Procedures for conduct field audits to verify social and environmental aspects and the appropriate assessment, planning and implementation of measures for minimize real or potential impacts, especially in case of clear cuttings made over a specific size area, defined regionally by each Regional Forest Plan (PROF), as the maximum clearcutting area or the size of even aged monoespecific forest stand. · Promotion of Good Forest Practices · Monitoring plan · Disqualify material coming from areas where no appropriate

			assessment of impacts, implementation and monitoring to minimise them, is confirmed . Landowner checklist . Field work Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the assessment of impacts compliance related risk mitigation measures properly to effectively mitigate the identified risks.
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)	According to the available information it is considered specified the risks for soil quality of sourcing biomass feedstock on: -forest lands located on desertification susceptible area according to Forest Services (ICNF) cartography. and - with size above minimum size required for Forest Management Plan. Other cases are considered low risk for this indicator.	Consultation of information sources and legislation related with soil aspects · Analysis of information from the area regarding soil erosion. · Procedures for conduct field audits to verify if forest management maintains or improves soil quality, especially in forest lands located on desertification susceptible area according to Forest Services (ICNF) cartography and with size above minimum size required for Forest Management Plan in respective PROF. · Disqualify material coming from areas where is confirmed that forest management do not maintains or improves soil quality. · Promotion of Good Forest Practices · Monitoring plan . Disqualify material coming from areas where no appropriate assessment of impacts, implementation and monitoring to minimise them, is confirmed . Landowner checklist

			. Field work Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the soil protections compliance related risk mitigation measures properly to effectively mitigate the identified risks.
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).	For better understanding of key ecosystems and habitats identification see indicator 2.1.1, and for its conservation see indicator 2.1.2. In Portugal key ecosystems and habitats are to be found mostly in Protected areas and in Classified Areas (Natura 2000). The overlap of classified areas over protected areas is approximately 1/3 of the total, which means that approximately 2/3 of classified areas are not included in protected areas of the National Network of Protected Areas. Also there are key ecosystems and habitats occurring outside Protected and Classified areas. It is considered that this indicator is covered and detailed by indicator 2.1.2, for which low risk was not reached in this risk assessment.	· Consultation of information sources regarding biodiversity · Analysis of information from the area regarding biodiversity. · Procedures for conduct specific field audits to identify and address real and potential threats to conservation of key ecosystems and habitats. · Promotion of Good Forest Practices · Monitoring plan · Disqualify material coming from areas where forest management and operations represent evident threats to conservation of key ecosystems and habitats. · Landowner Checklist · Field Audit Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the key ecosystems and habitats protections compliance related risk mitigation measures properly to effectively mitigate the identified risks.

Portugal	2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).	It is considered that a significant part of biodiversity is covered and detailed by indicators 2.1.1 and 2.1.2, for which low risk was not reached in this risk assessment. All classified habitats, besides priority ones included on HCV, must be included in this indicator.	-Consultation of information sources regarding biodiversity. · Analysis of information from the area regarding biodiversity. · Procedures for conduct specific field audits to identify and address real and potential threats to protection of biodiversity. · Promotion of Good Forest Practices · Monitoring plan · Disqualify material coming from areas where is confirmed that forest management and operations do not ensure that biodiversity is protected · Landowner checklist · Field work Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the biodiversity protections compliance related risk mitigation measures properly to effectively mitigate the identified risks.
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	Other impacts and effects of forest management on water were considered at: - Clearcuttings methods above a certain size; - Erosion and desertification problems. So, it is considered a specified risk for water impacts the exploitation by clear cutting at dimensions above to the maximum area indicated for each region by PROF Regional Forestry Management Plan. This risk is applied to all private, communitarian, and public forest areas which are not managed by ICNF. All the other	.Consultation of information sources and legislation related with water. · Analysis of information from the area regarding soil erosion. · Procedures for conduct field audits to verify if forest management maintains or improves soil quality, especially in case of clear cuttings at dimensions above to the maximum area indicated for each region by PROF (Regional Forestry Management Plan), in areas which are not managed by ICNF.

	(CPET S5b).	situations are considered low risk according to the available information.	· Promotion of Good Forest Practices · Monitoring plan · Disqualify material coming from areas where is confirmed that forest management do not minimise negative impacts on ground water, surface water and water downstream · Landowner checklist · Field work Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the water protections compliance related risk mitigation measures properly to effectively mitigate the identified risks.
Portugal	2.4.1 The BP has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).	For a long time have been identified some health problems in the forest in Portugal, some of them associated with perturbations occurring in forest ecosystems caused by various biotic and abiotic factors and others associated with the type of forest management which has been implemented as it is stated in the National Forest Strategy (2015). Health and vitality of Portuguese forest ecosystem have become a serious problem especially because of pests and diseases. These biotic and abiotic risks are supported by disturbances affect in 2011 24% of the forest area, generated by a regressive vicious cycle that combines fire, "seca", pests, diseases and invasive species. Thus while it seems clear that Portuguese government has taken steps to address the	· Consultation of information sources regarding biotic and abiotic risks for the ecosystems services. · Analysis of information from the area regarding biotic and abiotic risks. · Procedures to access information from the area regarding biotic and abiotic risks, and procedures for conduct monitoring field audits to verify ecosystems services, social and environmental aspects and the appropriate assessment, planning and implementation of measures for minimize real or potential risks and impacts. · Promotion of Good Forest Practices · Monitoring plan · Disqualify material coming from areas where health, vitality and other serices provided by forest ecosystems arenot maintained or improved

		problem, with actual information available this indicator needs to be assessed as specified risk for health and vitality of forests ecosystems.	. Landowner checklist . Field work Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the health, vitality and forest ecosyste services protections compliance related risk mitigation measures properly to effectively mitigate the identified risks.
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).	Pests, diseases and fires are today the greatest perceived risks in the Portuguese forest sector. Field implementation of planned measures is uneven in Portugal. Also fires are the greatest perceived risks in the Portuguese forest sector as it is recognized by public administration. Specified risk is assessed on the fire management at forest level.	. Consultation of information sources and legislation regarding natural processes (fires, pests, invasive species, and diseases). . Analysis of information from the area regarding invasive species, diseases, resources for fire prevention and protection . Procedures for conduct field audits to verify these aspects if necessary. . Disqualify material coming from areas where natural processes, such as fires, pests and diseases, are not managed appropriately. . Promotion of Good Forest Practices . Monitoring plan . Landowner checklist . Field work Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the natural processes protections compliance related risk mitigation measures properly to effectively mitigate the identified risks.

Portugal	2.5.1 The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected (CPET S9).	The customary rights include the right to entry inside forest properties, and even the recollection of private natural resources of free use like mushrooms or aromatic plants. This customary right does not include licensed fenced properties for cattle or large game hunting zones. The rights of recollection of mushrooms, aromatic and medicinal plants still have a lack in legislation as 2009 Forest Code was revoked on 2012. This Code was giving more rights for these natural resources to land owners. Conflicts may exist between land owners rights based on the private things defense against the customary rights of accessing and free use recollection, as no specific legislation was updated about this issue. These conflicts may become more relevant where resources are easy to steal, like pine cones or other NTFP-Non Timber Forest Products. In the ground situations of use and abuse of fences and inadequate signs are common, including closed gates. In those situations, it is believed that customary rights are not respected, and there is a specified risk on this indicator. This specified risk doesn't include the licensed cattle parks or big game hunting areas. In the rest of situations, where the properties are not fenced, or being fenced they have ways to pass, the risk is assessed as low.	.Analysis of information from the area regarding use and abuse of fences and inadequate signs and closed gates · Procedures for conduct field audits to verify these aspects if necessary. · Promotion of Good Forest Practices · Monitoring plan · Disqualify material coming from areas where is confirmed the use and abuse of fences and inadequate signs and closed ates in a way that customary rights are not respected (except in case of licensed cattle or big game hunting areas) · Landowner checklist · Field work · Licence verification Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the use right for communities compliance related risk mitigation measures properly to effectively mitigate the identified risks.
Portugal	2.8.1 The BP has implemented appropriate	ILO forestry H & S code includes some of forestry activities on "high risk operations" such as climbing above 3m, but in	Suppliers training and qualification. · Confirmation of legal status of qualified suppliers in relation with health and safety requirements.

	control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).	Portuguese legislation any forestry activity is included on legal list of “High Risk Activity”. Historically, a risk under this category has been present based on a low level of compliance with the requirements for accreditation and/or professional training. In recent years, many obligations have changed and private entities have started to develop courses for some activities of forest workers (for example for chainsaw, machinery or phytopharmaceuticals users). There continues to be a lack of credible courses for some forest activities with lower levels of risk, such as cork or resin harvesters. Public statistical data does not provide clarity on the actual level of workplace accidents or even intensity of inspections, because forest accidents are included in statistics also covering agriculture and sometimes fisheries activities, and inspections data include agriculture and forest activities. However a further research with authorities (ACT) could show that the forestry sector had an increasing of fatal accidents since 2014 (respectively 2 on year 2014, 4 on year 2015 and 7 on year 2016 until October the 20th). These numbers could show that the average rate of fatal accidents per 100 000 workers (above 58) is jumping very much far beyond the average EU rate from last available report (24 to 30) according to report with data from 2000-2005 (Safety and health in the European forestry sector/Malcolm Gifford; International Labour Office,	· Procedures for conduct monitoring field audits to verify all the aspects related with health and safety of forest workers. · Promotion of Good Forest Practices · Monitoring plan · Disqualify material coming from areas wherethere are insufficient or inappropriate safeguards to protect the health and safety of forest workers. · H&S Documentation from supplier · Field audit Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting the H&S of workers compliance related risk mitigation measures properly to effectively mitigate the identified risks.
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		Sectoral Activities Department – Geneva: ILO, 2009).	
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.	The high carbon stocks are considered to be in wetlands, peatlands (no forested areas related) and old mature forests stands. Information regarding wetlands in Portugal states that as usual in the region they are threatened ecosystems even when they are protected. Portugal currently has 1.8% of its territory occupied by wetlands, 79% of which is protected by the Ramsar Convention, covering this protection figure of 31 sites (about 132,487 hectares). 82% of habitats related to wetlands are degraded. Legislation in Portugal is strong related to Cork and Holm oak (protected species) but not related to other type of oaks. It was found several complaints over the years about felling of oaks all around Portugal. Despite the small scale and because of the relevance of the associated habitat specified risk needs to be assessed on this issue. BP shall ensure that oaks feedstock do not come from the felling/conversion of old mature oak stands after 2008. This indicator is assessed as specified risk in: · Wetlands: felling of riparian vegetation affecting carbon stocks · Old mature forests: felling/conversion of old mature oak stands after 2008	Consultation of information sources regarding high carbon stocks areas (wetlands, peatlands and old mature forests stands). · Analysis of information from the area regarding the riparian vegetation and old mature forests stands. · Procedures for conduct monitoring field audits to verify if biomass is sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks. · Disqualify material coming from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks. · Promotion of Good Forest Practices · Monitoring plan Auditor conclude from the field inspections, interviews and records revision that BP's responsible persons (BPs internal auditors) are conducting carbon stocks protections compliance related risk mitigation measures properly to effectively mitigate the identified risks.

7 Non-conformities and observations

NC number NC-000045	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	16.1 Where an indicator is rated as specified risk, mitigation measures shall be taken to reduce the risk level to low risk.
Description of Non-conformance and Related Evidence:	
During the audit 5 FMU's were verified including #4 FMU's at field (Fonte Ferrenha, Quinta da Malveira at Algarve region and Sete and Herdade do Vidigal at Alentejo Region. Most of visited FMU's were found well assessed by the BP team, in which the potential specified risks were correctly mitigated. At Sete (Castro Verde) a buffer for reproduction zone of a threatened raptor was in place, and the stand after pine (Pinus pinea) thinning was corresponding to the Natura 2000 classified area objectives. At Quinta da Malveira it was possible to see the natural regeneration from thinned pine (Pinus pinaster) and also from protected oaks (Quercus suber) on the ground. At Herdade do Vidigal it was found a clearcutting of an extensive area, but it was coherent to the applicable Management Plan, for which it was planned a reforestation plan, converting Pinus pinaster to Pinus pinea. However at visited FMU Fonte Ferrenha was found that the pine forest (Pinus pinaster) was converted in non- forest lands after the cutting. Asked for details, the BP team at field audit could not provide any understanding of the question, because the responsible forest engineer was no longer working for BP. Although some problems related to this specific area (heavy rain at audit day and bad accessibility because the zone was fenced), the BP team could not demonstrate that the conversion did not occur. Anyway the BP team could help to solve and clarifying the situation, contacting the supplier to explain the question. The supplier was interviewed by auditor at the same day, confirming the origin of the feedstock in a map. The problem found means that this feedstock (1.235,7 tons) was considered by the BP team has SBP- Compliant Feedstock, against indicator 2.1.3. Based on the results of the five FMU's assessments, it is considered that the identified risks of conversion (indicator 2.1.3) were not sufficiently mitigated by the measures applied. However, considering the size of the problem, the NCR is graded as minor.	
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-000120	NC Grading: Major
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Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	13.1 Stakeholder consultation is required at the initial SBE and at the five-yearly re-evaluation.
Description of Non-conformance and Related Evidence:	
The BP did not conduct stakeholder consultation prior to re-assessment audit, did not contact relevant stakeholders in the country nor shared the risk assessment and mitigation measures implemented.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000121	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 1.1 The BP shall prepare a SBR which is publicly available and includes a summary of any SBE
Description of Non-conformance and Related Evidence:	
The BP prepared a SBR that do not include the stakeholder consultation section with the relevant consult for the re-assessment.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000122	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.
Description of Non-conformance and Related Evidence:	
The BP prepared a SBR and update the information in SBP Portal. During the document revision it was identified that the following is missing: • A comparison between the harvested roundwood used for energy compared with other forestry sectors in the Supply Base • The total number of species used for pellets production.	
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-000123	NC Grading: Major
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.3.1 All requirements of the relevant chain of custody control system specified in the SBP-approved CoC system shall be implemented to calculate outputs.
Description of Non-conformance and Related Evidence:	
Engineering calculations have been done by audit team/report reviewer to verify the mass balance between input and output for pellet production using the following approach: $W_f = W_i \times (100 - MC_i) / (100 - MC_f)$ W_i = Initial weight W_f = Final weight For the data provided in the SAR the discrepancy between engineering calculation and actual production is 37%. Real production is 37% lower than theoretical value based on the feedstock amounts and moisture provided in the SAR. While audit team acknowledges that the discrepancy between engineering calculation and the actual biomass production may exist, Organisation was not able to justify the reasons for that.	
Timeline for Conformance:	Prior to (re)certification

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

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 not approved
Certification decision by (name of the person):	Pilar Gorría
Date of decision:	29 Mar 2021
Other comments:	N/A