SBP

Sustainable Biomass Partnership

NEPCon Evaluation of Pellets Power 2 – Produção de Pellets Lda Compliance with the SBP Framework: Public Summary Report

www.sustainablebiomasspartnership.org

Completed in accordance with the CB Public Summary Template Version 1.0

For further information on the SBP Framework and to view the full set of documentation see www.sustainablebiomasspartnership.org

Document history

Version 1.0: published 26 March 2015

Contents

1 Overview

On a title page, include the following information:

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus ot@nepcon.net, +420 606 730 382
Report completion date:	20th December 2015
Report authors:	Ondrej Tarabus
Certificate Holder:	Pellets Power 2 – Produção de Pellets. Lda
Producer contact for SBP:	Maria João Preto, +351 969647006, maria.preto@gesfinu.com
Certified Supply Base:	Portugal
SBP Certificate Code:	SBP-01-13
Date of certificate issue:	09/Mar/2016
Date of certificate expiry:	08/Mar/2016

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	**First Surveillance Audit**	**Second Surveillance Audit**	**Third Surveillance Audit**	**Fourth Surveillance Audit**
X	☐	☐	☐	☐

2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site and office in Alcácer do Sal, Portugal.

The Organisation holds valid FSC Chain of Custody and FSC Controlled wood certificate, covering pellet production.

The input material used by the organisation for biomass production (both as raw material for pellet production and feedstock used in the dryer) contains only primary feedstock supplied by local suppliers.

All inputs materials delivered to the pellet production plant are FSC certified, FSC controlled wood or included in the Organisation's FSC Controlled wood verification system. Feedstock used in the biomass production originates from Portugal only. All the material is sold in one harbour only at FOB incoterms.

Supply Base Evaluation is not included into the scope of the evaluation.

Scope of the evaluation is indicated in the table below:

Scope Item	Check all that apply to the Certificate Scope				Change in Scope (N/A for Assessments)
Approved Standards:	*SBP Standard #2 V1.0 SBP Standard #4 V1.0; SBP Standard #5 V1.0* http://www.sustainablebiomasspartnership.org/documents				☐
Primary Activity:	Pellet producer				☐
Input Material Categories:	☒ SBP-Compliant Primary Feedstock	☐ SBP-Compliant Secondary Feedstock			☐
	☒ Controlled Feedstock	☐ SBP non-Compliant Feedstock			
	☐ SBP-Compliant Tertiary biomass	☐ Post-consumer Tertiary Feedstock			
		☐ Post-consumer Tertiary Feedstock			
		☐ SBP-approved Recycled Claim			
Chain of custody system implemented:	☒ FSC	☐ PEFC	☐ SFI	☐ GGL	☐
	☐ Transfer	☐ Percentage	☒ Credit		☐
Use of SBP claim:	☒ Yes	☐ No			☐
SBE Verification Program:	☐ Low risk sources only	☐ Sources with unspecified/ specified risk			☐
	New districts approved for SBP-Compliant inputs:				

Sub-scopes		☐
Specify SBP Product Groups added or removed:		
Comments:		

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 production processes, production site visit;
- 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; and
- GHG data collection analysis.

4 SBP Standards utilised

4.1 SBP Standards utilised

Verification of SBP-compliant Feedstock, SBP Standard 2, Version 1.0, March 2015

Chain of Custody, SBP Standard 4, Version 1.0, March 2015

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015

http://www.sustainablebiomasspartnership.org/documents

4.2 SBP-endorsed Regional Risk Assessment

Not applicable. Supply Base Evaluation is not covered by the Scope of the Evaluation.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

BP is a biomass producer with a production situated in Alcácer do Sal, Portugal

Pellet Power 2 Lda is producing only industrial wood pellets.

BP is sourcing only primary feedstock for its production. The input material consist mostly of branches, tree tops, stem wood from thinning as well as roundwood. For purposes of drying there are also sourced some forest chips. Material is supplied locally (cca. 50km around the plant) All the input material is therefore coming from Portugal.

All Feedstock types are delivered to the pellet plant by road transport.

Incoming feedstock is either FSC certified, FSC Controlled or controlled according to the existing biomass producer (BP) FSC Controlled wood verification program. FSC Controlled wood verification program is applicable for feedstock originating from Portugal. Origin information is kept and origin information access agreements are signed with feedstock suppliers. As a part of the Verification program BP is conducting supplier audits.

The BP is implementing FSC credit system. The amount of the biomass produced according to FSC credit system might be sold as SBP-compliant or SBP- controlled.

After the production, pellets are stored in BP's production storage or transported into the Sines harbour and loaded directly to the vessel.

5.2 Description of Biomass Producer's Supply Base

The raw material used by the BP origins form Portugal. All the material used by Pellets Power 2, Lda, is considered to be primary feedstock. The predominant material used is branches and stems of *Pinus Pinaster*. The stems received are of low quality and in most cases are not suitable for other use. The second most common material are branches and stems of *Pinus Pinea*. The organization also source Eucalyptus (mostly in form of tops which are used as a fuel in the production) and acacia (however the broadleaved species accounts for up to 7% of feedstock received).

The raw material comes predominantly from forest clean operations and pine plantation maintenance (including round wood, pine cones, branches, needles, leaves, thinning and bark) .

Forest cover in Portugal accounts for about 35,4% or about 3,154,800 ha (ICNF 2010) out of this 0.7% (24,000) is classified as primary forest.

Portugal has 849,000 ha of planted forest (812 000ha for Eucalyptus Globus).

The main tree species are: Maritime pine (*Pinus pin*aster) (23%), Eucalyptus (*Eucalyptus gl*obulus) (26%), Cork oak (*Quercus suber*) (23%), Holm oak (*Quercus rotundifolia*) (11%), Oaks (*Quercus spp*) (2%), Umbrella pine (*Pinus pinea*) (6%), Sweet chestnut (*Castanea sativa*) (1%), other hardwoods (6%) and other softwoods (2%).

Portuguese forests are increasing continually from the two last centuries but in the last decade some decreasing started to be noticed, because of forest fires, conversion to other uses and also because of the effect of the pine disease (pine wood nematode) which affected mostly maritime pine. According IFN, 2010 from ICNF: Between 1995-2010 forests lost an average of 10 000ha/year meaning -0,3%/year.

Portuguese forests are influenced by the climate and geography, among other factors, being significantly different in the North and in the South. The North is mostly mountainous and influenced by the Atlantic climate. Here are present oak forests of *Quercus rob*ur and *Quercus faginea* at seaside and *Quercus pyrenaica*, with settlements of *Cytisus sp*. and several pockets of invasive species, such as Acacia sp. In the South, with more plains and less relief, Portugal's endemic Mediterranean forests are characterized by oak forests (*Quercus suber* and *Quercus rotundifolia*) with several types of understorey vegetation. Pine trees (*Pinus pinaster* and *Pinus pinea*) and Eucalyptus (*Eucalyptus globulus*) occur in all territory, as well as abundant bushes of rockrose orlabdanum (*Cystus ladanifer*) and strawberry tree (*Arbutus unedo*) in all territory.

All types of forest areas present in Portugal mainland are plantations, semi-natural and natural forests.

The first goal forest management is improved the productions (timber and NTFP-Non Timber Forest Products as cork and cones/pine nuts). This strategic forest planning methodology allows the integration of two different silvicultures (timber production or non timber forest products) and the choice of the best in each stand. Pine cones is a production which needs a good solar exposure, which means that the umbrella pine (*Pinus pinea*) is pruned, and some thinning must be done over the years.

Mixed stands of cork oak and pines also demand thinning to become a pure cork stand from some stage, as the pines are intolerant species.

The timber and the cork constitute the most financially profitable forest products, that target the various activities such as sawmills, cork industries, production of paper pulp, cellulose or energy, among many others. Portugal is the main cork producer in the world. Portuguese resin production is regaining competitiveness and the sector is starting the collection and industrial processing.

5.3 Detailed description of Supply Base

Total Supply Base area (ha):

- 3 154 800 ha

Tenure by type (ha):

- Privately owned – 94,2% - 2 971 822 ha;
- Public forest (private domain of the National Authority forests) – 5,8% - 182 978 ha

Forest by type (ha):

- Mediterranean Forests 3 154 800 ha

Forest by management type (ha): million ha managed natural

- Naturally regenerated forest : 2 306 000 ha;
- Planted forest: 849 000 ha

Certified forest by scheme (ha): FSC, total certified area million ha (FSC) and million ha PEFC

- FSC - certified forest - 359.687 ha
- PEFC-certified forest - 253 725 ha

Quantitative description of the Supply Base can be found in the Biomass Producer's Public Summary Report

http://www.gesfinu.com/arq/fich/SBR_Pellets_Power_2.pdf

http://www.gesfinu.com/arq/fich/SBP_Pellets_Power_2__Portugu_s_.pdf

5.4 Chain of Custody system

The Organisation is holding valid FSC Chain of Custody and FSC Controlled wood certificate. Valid FSC system description and other documents exist.

The Organisation is implementing FSC credit system. FSC Credit system is used for materials received as FSC certified, FSC Controlled wood and feedstock verified according to the Organisation's own Controlled wood verification system. The Controlled wood system of the organisation is covering only Portugal. No other feedstock is received. Supplier list is maintained.

After the reception, incoming feedstock and unloaded into piles according to type of feedstock and load is registered into the recordkeeping system. All input material is weighted and recorded in tones. For the credit account purposed the volume of feedstock is recalculated by using the conversion factor of the production, FSC credit account is updated once in a month: 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.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite assessment was conducted at November 18th, 2015 (9h)

Totally 2,5 days was spent for this evaluation: 1,0 full day onsite + 1,5 day documented evidence review prior to the assessment.

Corrective action verification audit took place on 21st December 2015 with focus on Major non-conformities identified during the assessment.

Pellets Power 2, Lda – Alcácer do Sal

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Office,	OT, LC, PG, RS	18/11/2015 09.00-09.30
Interview with SBP responsible person Review of procedures, documents and interviews with responsible staff (CoC, mass balance, management system, and verification of SBP compliant feedstock).	Office,	OT, LC, PG, RS	09.30-10.00
Interview with Sales department representative	Sales department	OT, LC, PG, RS	10:00 – 11:00
Interview with Purchasing department representative	Purchasing department	OT, LC, PG, RS	11:00-12:00
Break		OT, LC, PG, RS	12:00-12:30
Chain of custody review (site tour); interview with material acceptance department, warehouse and production responsible workers	Production facilities	OT, LC, PG, RS	12:30 – 14:30

GHG calculation review collection and communication of energy and carbon data	Office,	OT, LC, PG, RS	14:30-16:00
Internal team meeting	Office,	OT, LC, PG, RS	17:00 - 17:30
Presentation of the results of the first day of assessment	Office,	OT, LC, PG, RS	18:30 - 18:30
Estimated end of the evaluation			18:30
Opening meeting	Office,	OT, RS	21/12/2015 09:00
Evaluation of the major non-conformities	Office	OT, RS	09:15
Visit of two forest stands			10:00
Estimated end of the evaluation			13:30

6.2 Description of evaluation activities

The assessment 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 system and FSC system control points as well as GHG data availability.

Description of the assessment evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC/ CW system of the organisation, including SBP Procedures, GHG data calculations/ data sheet, Supply Base Reports and FSC system description was provided by the company in advance as well as were reviewed during the desk verification conducted prior to the assessment. Auditing team was welcomed in Pellet Power 2, Lda office in Alcácar do Sal. Audit started with an opening meeting attended by the SBP responsible person María Preto.

Auditor introduced the auditing team, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope. During the opening meeting the auditor explained CB's accreditation related issues.

After that auditor went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction documents 5a covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, emission and 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 and over responsible staff (plant manager, production manager, accountant, assistant of the accountant, sales representative, purchasing representative) having key responsibilities within the system were interviewed.

After a roundtrip around BP's pellet production was undertaken. During the site tour reception process were observed, applicable records were reviewed, pellet factory staff was interviewed and FSC system critical control points were analysed.

At the end of the audit finding were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the CEO and SBP representative.

At December 2015 additional written evidence (such as SBR or updated SBP procedure) were provided by the PB to the auditor team. Furthermore, corrective action verification audit on-site took place with focus on evaluation of correct classification of the feedstock. Based on this documents and the site visit some of the non-conformities were closed – for details see the "Non-conformities and observations" part of the audit report.

Composition of audit team:

Name	Qualification	Role/focus in evaluation
Ondrej Tarabus, Brno, Czech Republic	Czech citizen, graduated in University of Life Sciences Prague, The Faculty of Forestry. He has participated in several FSC FM, FSC CoC, PEFC CoC, ISCC certification assessments in Czech Republic, Slovakia, Italy, Germany, Vietnam, Egypt, Spain, Romania, Bosnia and Herzegovina, Austria, etc. Ondřej Tarabus has been through lead assessor SBP training course and is experienced with carbon calculation using standards such as ISO 14 064, Carbon Footprint management or ISCC.	Lead auditor. Verification of SBP-compliant feedstock. Evaluation of collection and communication of data. Evaluation of energy and carbon balance calculation
Leticia Calvo Vialettes, Spain	Leticia has worked as Certification Services Coordinator for NEPCon in Spain, France and Italy since 2008. Leticia is a forestry Engineer and has been trained as a Lead Auditor for Chain of Custody, Forest Management, SAN Chain of Custody and legal expertise. She has experience auditing companies in Spain and France.	Auditor in training

	She has also be involved in project in NEPCon (for example she has been 1 year project manager for a legality project in Cameroon).	
Pilar Gorría Serrano, Spain	Pilar is a forestry engineer from the University of Madrid. Part of her studies took place at the Forestry Research National Center-BFV in Vienna, where she explored carbon soil emissions in commercially managed forests. He has participated in several FSC FM, FSC CoC, PEFC CoC and Carbon Footprint in Spain and Portugal.	Auditor in training
Rui Simões, Portugal	Forest Engineer since 1996. Forestry experience on planning, project, consultant as team coordinator on forestation and deforestation works, including environmental minimization, and compensation field works. Auditor since 2006 of FSC, PEFC, Smartlogging and Controlled Wood to forest management and chain of custody in Iberian peninsula, involving tropical, wood, pulp & paper and cork products. Rui works in English, Spanish and French besides Portuguese.	Auditor in training

6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on 13th of October, 2015 by sending direct email to different stakeholder categories: state institutions, local NGOs, authorities, government bodies, forest owners associations, academic and research institutions. Comments from Grupo Portucel Soporcel (in regards to obtain more information about the certification) and IPAC - Instituto Português de Acreditação (with information that they have any objections) were received. The stakeholder notification letter as well as the comments received are added as an Exhibit to this report.

7 Results

7.1 Main strengths and weaknesses

Strength: Use of the FSC credit system. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: Almost none certified material only controlled material from own verification program. Reception of large logs into the pellet production.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Compilation of data on Greenhouse Gas emissions

The organization has been previously certified according the Green Gold Label standard and therefore may of the emission data were already in place when starting the preparation process for the SBP assessment. The main challenge for the organization was to collect the data for the material used in the dryer and to have the data per each class of feedstock according the UK and EC classification as this was not previously reported and it had to be done on the top of the current system.

7.4 Competency of involved personnel

Not applicable.

7.5 Stakeholder feedback

Comments received:

- Grupo Portucel Soporcel - in regards to obtain more information about the certification. Further information were provided by email and face to face meeting was planned.
- IPAC - Instituto Português de Acreditação – has send information that there are no objections in regards to the certified subject or certification system

The stakeholder notification letter as well as the comments received are added as an Exhibit to this report.

7.6 Preconditions

The organization has implemented action to close the preconditions for issuing of the certificate. The SBR was translated to Portuguese, Product groups were implemented, SBP procedure updated and additional Corrective Action Verification has revealed that all the maritime pine comes from thinnings only.

8 Non-conformities and observations

OBS: 01/15	**Standard & Requirement:**	SBP standard nr.2 requirement section 7.3
	Report Section	Appendix A p 2.2
Description of findings leading to observation:	The BP has used the latest version of the SBR which was downloaded from the SBP website. There was published new version of the SBR just after the assessment which was not used by the organization.	
Observation:	It is recommended by the auditor to update the SBR according the new version of the SBR once it is published on the SBP website.	

NCR: 01/15	**NC Classification: MAJOR**	
Standard & Requirement:	SBP Standard 2 (ver. 1.0), requirement 2C, 2	
Report Section:	Appendix A p.2.6	
Description of Non-conformance and Related Evidence:		
The SBR is only in English and it was not translated to Portuguese at the moment of the assessment.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	Prior to certification	
Evidence Provided by Organisation:	The organization has provided SBR in Portuguese language after the assessment and publish it on their web site.	
Findings for Evaluation of Evidence:	SBP in Portuguese was received after the assessment and the organization website was checked to assure that it is published as well.	
NCR Status:	**CLOSED**	
Comments **(optional):**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

OBS: 02/15	**Standard & Requirement:**	SBP Standard 2 (ver. 1.0), requirement 2C, 4.1.
	Report Section	Appendix A p.2.8
Description of findings leading to observation:	The supply base report describes which actions were taken to promote the certification amongst feedstock suppliers. However, it does not provide full assurance that the organization promote certification actively. Furthermore, there is an inconsistency - the section 2.1 of the SBR mention that there is 84,2% of private owned forest within the supply base but in the section 2.5 of the SBR it is mentioned 94,2% of private owned forest.	
Observation:	The organization should promote actively the certification in order to increase the uptake of certified material in the area.	

NCR: 02/15	**NC Classification: Minor**	
Standard & Requirement:	SBP Instruction document 4 (ver. 1.0), requirement 5.4.2	
Report Section:	Appendix B p.4.2	
Description of Non-conformance and Related Evidence:		
The organization has not implemented the requirement of recording the customer certificate number. However, there are any certified customers at the moment of the assessment.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	By the next annual surveillance audit	
Evidence Provided by Organisation:	The organization has provided updated procedure and a template for recording the certificate code.	
Findings for Evaluation of Evidence:	The auditor reviewed the SBP procedure and the template for recording the customer certificate codes. The system of recording the customer certificate number was implemented at sufficient extend.	
NCR Status:	**CLOSED**	
Comments **(optional):**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

NCR: 03/15	NC Classification: Minor	
Standard & Requirement:	SBP Instruction document 5A (ver. 1.0), requirement 2.1.1	
Report Section:	Appendix C p.2.1	
Description of Non-conformance and Related Evidence:		
The organization has presented procedures covering the sales process. It is clear from the procedures what should contain the sales documents. However, the form of the SBP GHG and profiling data scope reference number is not correct. There is missing the part of the ZZ code. The organization has mentioned only the reference number in form SBP-01-0XX which is not in line with the SBP requirement.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	By the next annual surveillance audit	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	**OPEN**	
Comments **(optional):**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

NCR: 04/15	NC Classification: MAJOR
Standard & Requirement:	SBP Instruction document 5A (ver. 1.0), requirement 3.1.1
Report Section:	Appendix C p. 4.1.1
Description of Non-conformance and Related Evidence:	
Findings: The organization has not classified the material correctly. During the site tour it was revealed that there is quite a lot of stemwood at the log yard (Pinus Pinea) which volume was not classified separately and furthermore the incoming mixed pine material (Pinus Pinea and Pinus Pinaster) did contain some bigger size logs.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to certification
Evidence Provided by Organisation:	The organization has presented record of material input from 2012 when the roudwood material was weighted separately, the stock taking records for 2015 of the Roundwood and later on 2 audits at the forestry level were carried out.
Findings for Evaluation of Evidence:	Additional on-site audit was carried out in regards to prove the correct calssification of the roundwood material received during the reporting period and evaluate other material which is received as wood from thinning. The organization has created new material category (Steamwood – Long rotation forestry conifer) where material received as such was included. The volume of the roundwood was corrected in the GHG table according the calculations. As for the maritime pine (Pinus Pinaster) material the organisation team claimed that the diameters are always below 14 cm, because this kind of timber is well valorised in the sawmilling industries. During the audit, at the log yard it wasn't found greater diameters than 14cm from this kind of material and therefore is was agreed that the classification as material from thinning is correct. Because of the particularities of umbrella pine (Pinus Pinea) stands management practices, it was agreed with the organisation to visit two forest sites, where recent thinnings were sourcing the plant. The first place was a 60-70 years, fruit pine stand which had a mixed operation of clearing (thinning) and pruning. It was possible to see some big sizes of branches diameters, greater than 40cm. The thinning were involving mostly smaller diameters than 40cm.

	The second place was the National Forest of Valverde, a Forest Authorities (ICNF) managed and owned property. It was a timber stand from 95-100 years old, where it was recently applied a late thinning of 17000 trees individually marked. The ICNF forest engineer João Pedro Pereira was interviewed and he could confirm the following specifications of umbrella pine management: - The actual operations to convert from timber stands to fruit stands, meaning late thinnings above 40 years. Inside the National Forest he could point other areas of very late thinning in the next years; - The depreciation of umbrella pine timber in markets, because of the lack of nautical industries; - The valorisation of pine cones and resignation in the region;
NCR Status:	**Closed**
Comments **(optional):**	

Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes ☒ No ☐

NCR: 05/15	NC Classification: Minor
Standard & Requirement:	SBP Instruction document 5A (ver. 1.0), requirement 3.3.1.
Report Section:	Appendix C p.4.3.1.
Description of Non-conformance and Related Evidence:	
Findings: The organization has contacted suppliers with a requirement to provide such information. Three main suppliers has replied (out of 40). The use of fuel in forestry was considered only for harvesting as most of the material is received from thinning and other material does not need any soil preparation or planting. However, the fuel used in forestry for other operation such as soil preparation or planting is not considered for material received as "Long rotation forestry (conifer)" even though the material is forest product.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Comments **(optional):**	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes ☐ No ☒

NCR: 06/15	NC Classification: Minor	
Standard & Requirement:	SBP Instruction document 5A (ver. 1.0), requirement 3.7.3.	
Report Section:	Appendix C p.4.7.3.	
Description of Non-conformance and Related Evidence:		
Findings: Efficiency factor of the diesel used in the haulage of the material to the plant was taken from the GGL system. The value depends on the size of truck and the data are reliable. However, the unloaded return journey was not taken into account not justified that it is not applicable here. The organization has taken into account the unladen return journey for transporting of pellets instead.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	By the next annual surveillance audit	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	**OPEN**	
Comments **(optional):**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

OBS: 03/15	**Standard & Requirement:**	SBP Standard 5A (ver. 1.0)/ Instruction document 5a requirement 3.7.4
	Report Section	Appendix C p.4.7.4
Description of findings leading to observation:	The biodiesel was not taken into account even though it is compulsory in Portugal. It is recommended to the company to take the use of biodiesel into account.	
Observation:	The organization should take into account the use of biodiesel as it is compulsory in Portugal.	

NCR: 07/15	NC Classification: Minor
Standard & Requirement:	SBP Standard 5A (ver. 1.0)/ Instruction document 5a requirement 6.1.
Report Section:	Appendix C p.7.2, 7.5 and 7.8
Description of Non-conformance and Related Evidence:	
Findings: The organization has provided general information about the forest management practices in the profiling information. However, the information mentioned does not provide sufficient overview of forest management practices in the area under the scope of certificate. It mainly focus on one specie (Pinus Pinea) only and does not describe the management of the forest itself. The source of the material is mentioned in the profiling information and from that information it would be possible for reader to come to the conclusion that no material is derived from saw logs. However, it is not specifically mentioned in the Biomass profiling information. The organization did not clearly stated the name of the certification system (and instead has provided their FSC certification code and FSC standards) which might not be clear. Furthermore the proportion of the material delivered from the feedstock certified under any of the SBP-approved Forest management scheme was not mentioned.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Comments **(optional):**	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes ☐ No ☒

NCR: 08/15	NC Classification: Major	
Standard & Requirement:	SBP Standard 5A (ver. 1.0)/ Instruction document 5a requirement 8.1.	
Report Section:	Appendix C p.7.1.	
Description of Non-conformance and Related Evidence:		
Findings: Organization did not provide the categorization into one or more product group according SBP.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	Prior to certification	
Evidence Provided by Organisation:	The organization has provided product group list just after the audit.	
Findings for Evaluation of Evidence:	The product group list was send by the organization just after the audit. All feedstock was categorized as group 7 other feedstock.	
NCR Status:	**CLOSED**	
Comments **(optional):**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

OBS: 04/15	Standard & Requirement:	SBP Standard 5A (ver. 1.0)/ Instruction document 5a requirement 8.1.
	Report Section	Appendix C p.9.1.
Description of findings leading to observation:	The organization did provide the Batch specific data in form of excel table. Most of the recommended sustainable characteristics are included. However, there is missing the information about the presence or absence of the stump wood in the feedstock.	
Observation:	The organization should follow the recommended sustainability characteristics from the instruction document 5A.	

NCR: 09/15	NC Classification: Minor
Standard & Requirement:	SBP Standard 2 (ver. 1.0), 20.2
Report Section:	Appendix A p.13.2
Description of Non-conformance and Related Evidence:	
The organization has a compliance policy in place - manual MG01. However, the requirement of informing SBP of any substantiated complaints within 30 days is not explicitly mentioned.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Comments **(optional):**	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes ☐ No ☒

OBS: 05/15	**Standard & Requirement:**	SBP Standard 4 (ver. 1.0), requirement 6.3.2
	Report Section	Appendix B p.7.2.
Description of findings leading to observation:	The organization has provided description of the arrangements against the corruption taken. There is FSC policy signed by the management all payments are done based on bank transfer, raw material procurements is under management control and suppliers are approved by the management. However lack of the written procurement policy might potentially cause the corruption related risks.	
Observation:	It is recommended to document the anti-corruption related risks and inform responsible personnel with the aim to minimise corruption related risks.	

OBS: 06/15	**Standard & Requirement:**	SBP Standard 4 (ver. 1.0), requirement 4.6.1
	Report Section	Appendix B p.5.6.1
Description of findings leading to observation:	The origin of the electricity is 100% form grid. It is mentioned in the SBP GHG table together with energy mix with specification of the renewable energy used. This data are taken from one invoice only and are not based on the official energy mix in Portugal nor reflect the data for all the reporting period.	
Observation:	It is recommended to provide the data about the origin of the power at the correct cell of the excel document and if energy mix is provided together with these data it should reflect the whole reporting period.	

NCR: 10/15	**NC Classification: Minor**	
Standard & Requirement:	SBP Standard 2 (ver. 1.0), 19.1	
Report Section:	Appendix A p.12.1	
Description of Non-conformance and Related Evidence:		
The SBR is signed off by the senior management which is part of the support of the credibility. However, no further actions such as peer review or public consultation were taken by the BP.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	By the next annual surveillance audit	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	**OPEN**	
Comments **(optional):**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

NCR: 11/15	NC Classification: Major
Standard & Requirement:	SBP Standard 5A (ver. 1.0)/ Instruction document 5a requirement 4.1.1
Report Section:	Appendix C p.5.1.1
Description of Non-conformance and Related Evidence:	
Findings: The organization has not provided and justified the quantity of feedstock per long rotation forestry (conifer) which is used in the production. During the site tour it was revealed that there is quite a lot of stemwood at the log yard (pinus pinea) which was not considered in the data of feedstock used in the production process.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to certification
Evidence Provided by Organisation:	The organization has presented record of material input from 2012 when the roudwood material was weighted separately, the stock taking records for 2015 of the Roundwood and later on 2 audits at the forestry level were carried out.
Findings for Evaluation of Evidence:	Additional on-site audit was carried out in regards to prove the volume of the roundwood material received during the reporting period and evaluate other material which is received as wood from thinning. The stemwood volume was calculated based on the records from 2012 (when the roudwood material was weighted separately due to price difference) and stock for 2015. Additional audit has revealed the correctness of calculation of volume from 2012 as well as actual stock volume records (no stemwood was used in 2015 due to the lack of equipment to crash it). The volume of the roundwood was corrected in the GHG table according the calculations. As for the maritime pine (Pinus Pinaster) material the organisation team claimed that the diameters are always below 14 cm, because this kind of timber is well valorised in the sawmilling industries. During the audit, at the log yard it wasn't found greater diameters than 14cm from this kind of material and therefore is was agreed that the classification as material from thinning is correct. Because of the particularities of umbrella pine (Pinus Pinea) stands management practices, it was agreed with the organisation to visit two forest sites, where recent thinnings were

	sourcing the plant. Based on these visites (for details see NCR 04/15) it was considered that the classification as material from thinning is correct and the non-conformity can be closed.	
NCR Status:	**Closed**	
Comments **(optional):**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☒ No ☐

9 Certification decision

Based on Organisation's conformance with **SBP requirements, the auditor makes the following recommendation:**	
☒	Certification approved: Upon acceptance of NCR(s) issued above
☐	Certification not approved:
Based on auditor's recommendation and NEPCon quality review following certification decision is taken:	
NEPCon certification decision: **The Biomass Producer has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate can be issued on after approval by SBP technical committee. The expiration of the certificate will be then 5 years.**	
Certification decision by: Olesja Puiso	
Date of decision**: 29.01.2016**	

10 Surveillance updates

Not applicable.

11 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Maria Preto – Environmental Engineer (Chain of custody, Quality and Environment Responsible)
Auditor(s):	Ondřej Tarabus – Lead auditor Leticia Calvo – Trainee Auditor Pilar Gorría – Trainee Auditor Rui Simoes – Trainee Auditor
People Interviewed, Titles:	Maria Preto – Quality manager Filipa Rebelo – CEO Rui Brás - Industrial Director Vera Pereira – Feedsctok control Responsible Francisco Braga - Supply of raw materials Responsible Andrea Bernardino- Administrative
Brief Overview of Audit Process for this Location:	See section No. 6