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

Second Surveillance Audit

www.sbp-cert.org

Completed in accordance with the CB Public Summary Report Template Version 1.0

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

Document history

Version 1.0: published 26 March 2015

Contents

1 Overview

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Certified Supply Base:	Portugal
SBP Certificate Code:	SBP-01-13
Date of certificate issue:	09/Mar/2016
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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**
☐	☐	☒	☐	☐

2 Scope of the evaluation and SBP certificate

Pellets Power 2 – Produção de Pellets. Lda (hereafter referred as BP (Biomass Producer) is a pellet producer based in Portugal and holds valid FSC Chain of Custody and FSC Controlled wood certificate, covering pellet production. The BP purchases all of its feedstock from Portugal. Major share of incoming feedstock is primary whereas the minor share is secondary feedstock. The feedstock is purchased at the gate of the BP. BP can buy wood as FSC or PEFC certified, but mainly relies on sourcing feedstock as SBP-compliant from its own Supply Base Evaluation. The supply base are different Portuguese regions, however Supply Base Evaluation is implemented only for limited part of the supply base which is Alentejo region. Alentejo was classified as a single region that is covered by the same characteristics for, legislation covering land ownership, use and harvesting rights, biodiversity, water, air and soil protection, basic labour rights and health and safety of forest workers, waste handling and forest disease control and tree felling licensing and replanting/regeneration.

BP is supplying the wood pellets produced to one harbour at FOB vessel Incoterms delivery conditions.

Description of the scope: Production of wood pellets, for use in energy production, at PELLETS POWER II. and transportation to Sines harbour. The scope of the certificate includes Supply Base Evaluation for primary feedstock from Alentejo, Portugal.

Scope Item	Check all that apply to the Certificate Scope	Change in Scope (N/A for Assessments)
Approved Standards:	*SBP Standard #1 V1.0* *SBP Standard #2 V1.0* *SBP Standard #4 V1.0* *SBP Standard #5 V1.0* https://sbp-cert.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 ☐ SBP-approved Recycled Claim ☐ Post-consumer Tertiary Feedstock	☐

Chain of custody system implemented:	☒FSC	☐PEFC	☐SFI	☐GGL	☐
	☐Transfer	☐Percentage	☒Credit		☐
Points of sales	☐Harbour – Permanent storage (Storage site)	☒Harbour – Temporally storage (Logistic site)	☐Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		☐
Provide name of all points of sales		Sines harbour (Portugal), FOB vessel			
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 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 SBP standard #1 V1.0
- Review of the updated Supply Base Report;
- Review of the risk assessment results;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Evaluation of mitigation measures implemented for primary feedstocks (including inspection of primary feedstock suppliers);
- Review of the records, calculations and conversion coefficients;
- Interviews with responsible staff;
- Review of the records

4 SBP Standards utilised

4.1 SBP Standards utilised

Feedstock Compliance Standard, SBP Standard 1, Version 1.0, March 2015

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, accompanied by Instruction Documents 5A, 5B, 5C, Version 1.1 October 2016

Standards and instructions are available at SBP homepage: https://sbp-cert.org/documents

4.2 SBP-endorsed Regional Risk Assessment

Not applicable – Regional Risk Assessment for Portugal was not endorsed yet by SBP at the time of the annual audit. The BP has used their own Risk assessment for the region of Alentejo.

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. Power Pellets II. is a part of Gesfinu group. Gesfinu is a privately owned family group operating in electricity generation and bio energy as main business activities, continuing in the real estate activity.

BP is producing only industrial wood pellets.

BP is sourcing mostly primary feedstock for its production. The input material consists of branches, tree tops, stem wood from thinning as well as roundwood. Insignificant share of the feedstock is secondary (woodchips and slabwood delivered from local sawmill).

The input material is mostly delivered from Pine stands (*Pinus pinaster* and *Pinus pinea*). This material consists of low quality stemwood or material from pruning of *Pinus pinea* trees planted for production of pine nuts. For purposes of drying there are also sourced some wood 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 trucks.

Incoming feedstock is either FSC certified (FSC 100%, FSC Controlled Wood) or controlled according to the existing biomass producer (BP) FSC Controlled wood verification program. FSC controlled material 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. However, the amount of FSC 100% feedstock is so insignificant, that BP has implemented SBP supply base evaluation of the feedstock which is considered then as SBP-compliant. BP maintains a credit account for SBP inputs and outputs, separately from FSC credit account.

BP is implementing Supply Base Evaluation (SBE) limited to two pine species (*Pinus pinea* and *Pinus pinaster*) coming from thinnings/prunings from Alentejo region. The BP has developed its own risk assessment with some indicators designated as unspecified risk and has implemented out Supplier Verification Program resulting in low risk for all these indicators.

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

Portugal forest area covers 3 154 800 hectares. According with ICNF (Instituto da Conservação da Natureza e Florestas), forest land use is the dominant use of the mainland (35.4% in 2010). Over 60% of the territory of continental Portugal consists of forest areas, where 84.2% of the forests are located on private land, 13.8% in

community land and only 2% in public areas (source: 6.º Inventory Forest National. Areas of land use and forest species of Portugal continental (Preliminary results v1.1, fevereiro 2013).
All types of forest areas presented in Portugal mainland are plantations, semi-natural and natural forests.

Distribution of soils areas in Portugal (ICNF, 2013) is the following:

- Forests - 35%,
- Pastures - 32%,
- Inland water – 2%,
- Urban – 5%,
- Agriculture – 24%,
- Infertile land -2%;

In 2010 the forest land use was the dominant use of the mainland Portugal, occupying 35.4%. The woods and pastures are the following class of land use with larger area, the bushes corresponding to 32% of this class. Agricultural areas account for 24% of the mainland.

The distribution of total areas for species/species group Portuguese forest is the following:

- *Pinus pinaster* - 23%,
- *Eucalyptus spp.* - 26%,
- *Pinus pinea* - 6%,
- *Quercus suber* - 23%,
- *Quercus ilex* - 11%,
- *Quercus spp.* - 2%,
- *Castanea sativa* - 1%,
- Other hardwoods - 6%,
- Other softwoods - 2%,
- Other softwoods - 2%.

Area occupied by coniferous species corresponds to 31% of the Portuguese forest, and 69% is occupied by broadleaf species. The forest area from which the dominant species is the eucalyptus is the largest area of the country (812 000 ha, 26%), cork the second (737,000 ha; 23%), followed by maritime pine (Pinus pinaster) (714,000 there is; 23%) and 6% *Pinus pinea*.

According with the 6.º Inventory Forest National areas of land use and forest species of Portugal continental (preliminary results v1.1, fevereiro 2013)

The Portuguese forest management areas are protected from illegal harvesting, settlement and other unauthorized activities.

The main threats mentioned by WWF are the continuing conversion of these forest areas in agriculture, grazing or urban use. Among other threats there´s frequent fires, harvesting of the remaining areas of natural forests, the excessive use of exotic species and overgrazing. According with this indicator, Portugal can be considered a low risk country. www.panda.org/about_our_earth/ecoregions/mediterranean_forests_scrub.cfm
www.icnb.pt

Portuguese legislation prohibits conversion of natural forest to plantations (1901 and 1903 "*regime florestal*" decrees, decree-laws n.º 166/2008, of 22-08 on the National Ecological Reserve, decree-laws n. º254/2009, of 24-

09, revoke by Decree-Laws n.º 12/2012, of 24-09 on the Forest code and 169/2001, of 25-05 on cork and holm oak).

Furthermore, land use changes after forest fires are conditioned by law (decree-laws n. º254/2009, of 24-09, revoke by Decree-Laws n.º 12/2012, on the Forest code and 169/2001, of 25-05); changes must be submitted to the National Forest Authority (AFN).

Natural forests are classified as habitats, and are safeguarded by another legal framework, which is even more limiting. The results of the last National Forest Inventory (2013) show an increase of forest area.

As mentioned before, legislation does not allow conversion of natural forest. After forest fires, any changes have to be submitted to the national forestry authority. There is also legislation to protect wetlands, peat land, protected areas and highly biodiverse grasslands.

The raw material received in Pellets Power 2 – Produção de Pellets, Lda is coming from private land suppliers or National Authority forests.

Law No. 33/96 of 17 August defines the bases of the national Forest Policy and the foundations of national Forest Policy, including the fundamentals to the development and strengthening of institutions and programs for the management, conservation and sustainable development of forests and associated natural systems, aimed at meeting the needs of the community, a framework of spatial planning. (decree-laws n. º 254/2009, of 24-09, - Forest National Code, revoke by Decree-Laws n.º 12/2012).

The declaration of felling, pruning, and circulation of conifer wood, set out in article 6 of Decree-Law no. 123/2015, dated 3 July, must be obligatorily provided in advance whenever; a) it concerns the felling, and transport, or transport of wood from the felling of conifers that are hosts of the pine wood nematode in continental territory, b) it concerns the pruning of host conifers in continental territory.

The new legal framework applying to the harvesting, transportation, storing, transformation, import, and export of *Pinus pinea L.* in continental territory, which was approved by Decree-Law no. 77/2015, dated 12 May, is effective as of 10 August 2015.
The regulations require that the ICNF is given advance notice of any economic activity or operation involving the harvesting, transportation, storing, transformation, import, and export of *Pinus pinea L.* and that those carrying out such activities are registered.

The legal framework applicable to the application of resin and the circulation of pine resin in continental territory was approved by Decree-Law no. 181/2015, dated 28 August. This law is effective as of 28 September 2015, with the exception of articles 6 to 9, 'prior notification' and 'registration of a resin operator', which are effective as of 1 January 2016.
The regulations require that the ICNF is provided with advance notice of the extraction of pine resin, its import and export, as well as transportation, storing, and entry to an establishment for the first industrial transformation, and that resin operators are subject to registration.

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 there are oak forests of *Quercus pyrenaica*, with settlements of *Cytisus sp*. and several pockets of invasive species, such as *Acacia sp*.. The South is characterized for plains and less relief. Portugal‘s endemic Mediterranean forests are characterized by oak forests (*Quercus robur* and *Quercus rotundifolia*) with several types of vegetation. Pine trees (*Pinus pinaster* and *Pinus pinea*) and Eucalyptus (*Eucalyptus globulus*) exists in all territory, as well as abundant bushes of rockrose orlabdanum (*Cystus ladanifer*) and strawberry tree (*Arbutus unedo*) (source: *Godinho-Ferreira et al., 2005*).

All types of forest areas presented in Portugal mainland can be plantations, semi-natural and natural forests.

Alentejo forest area can be divided into public forest, private forest and public and private forest areas inside of protected areas.

Public forests are managed by the Institute for Nature and Forests Conservation (ICNF).

Since 1988, there is in Portugal a Decree Law No. 174/88 of 17 May which requires a felling permit for cutting and extracting trees for sale a/or for industrial processing. Its aim is to promote the necessary statistical information, to contribute to achieve a sustainable production of raw material, and to increase efficiency of public forest management, promoting any intervention on the market in order to correct imbalances between supply and demand for timber.

One of the aims of the Regional Forest Planning is the definition of the minimum area of the management units, above which they will be compelled to base their management in Forest Management Plans (PGF), elaborated according with the rules defined by the Decree - Law nº 205/99 of 9 of June. The use of forest management plans is already a reality in most of part of the forest Alentejo area. Some agro-forest management units, where the effects of the economy of scale are present, are examples. The non-generalization of this type of instrument to support management is essentially due to the fact that the gains attained are null or even negative when the management units are in a lower baseline of dimension and complexity.

The first goal of forest management is to improve the production (timber and cones/pine nuts). The strategic forest planning methodology allows the integration of two different silvicultures activities (timber production and forest products) and the choice of the best at each stand.

Timber and resin constitutes the most financially profitable forest products, that target the various activities such as sawmills, production of paper pulp, cellulose or energy, among many others (*Plano Director Municipal de Penacova, Caracterização Florestal, Abril 2015*).

The Mediterranean stone pine, *Pinus pinea* L. (Pinaceae), is one of the most appreciated specie in the Mediterranean basin due to the multiple products and functions it offers (timber and fruit production, resins, soil protection, biodiversity, or landscape). The most interesting activity from the economic point of view is the pine nut production.

Stone pine forests have been used since ancient times as a source of timber, edible pine nuts, fuelwood, barks and resins. Forests provide an important ecological, landscape and recreational services and due to their capacity for growing over continental and coastal dunes, they have been widely used as protectors against soil erosion.

Stone pine forests have been managed under multifunctional principles since the end of the 19th century. Bark extraction, resin tapping and pruning for fuelwood are abandoned practices in stone pine forests. Timber prices for the species have recently dropped so, cone production and pine-nut extraction have become the most interesting and profitable outputs from these forests.

Today, cone harvesting from the trees, subsequent industrial pine nut extraction and market are economically profitable activities, supporting an increase in employment in south of Portugal regions.

Extensive research and development have been conducted on the biology, ecology and silviculture of the species and, in particular, its cone and nut.

Thinning assumes special importance in softwoods, and youth wood being of poor quality, requires a plantation at relatively high densities, in order to form less youth wood per tree and increase intra-specific competition, favoring the height growth and natural pruning. Reduces then chopping density in order to concentrate the growth potential of the best future trees. Currently thinning in *Pinus pinea* forest, aims to promote the production of pine cone.

A pruning is the removal of floors composed by branches, dead or alive, below of the crown, promoting the formation of stem high trees, without imperfections (Alves, 1988). Nowadays thinnings are in young forest stands of *Pinus pinea* when thinnings are made in old stand, branches can be upper 30-40 cm.

The *Pinus pinaster* is a fast-growing specie, intolerant to shade. *Pinus pinaster* has higher hardiness and has been used in Portugal, in afforest very small fertile land (as in the case of some dunes) in the northern and center mountains.
Due to forest fires and the phytosanitary problems, the pine, in the last National Forest Inventory, decreased by 263,000 hectares between 1995 and 2010. It occupied in 2010, about 714 445 000 hectares (IFN 6). In the maritime pine pruning the goal is to obtain the best quality timber production (sawmill, papermill, etc).

Pellets Power 2 - Produção de Pellets, Lda, receives the majority of fiber from *Pinus pinea* forest maintaince. The forest management practices consist in cleaning the trees and soil and promoting the wood pine growing. Forestry products derives from the same species, timber and pine nut (*Pinus pinea*).

Pellets Power 2 – Produção de Pellets, Lda receives wood from an area near to the plant, with specific features, different from the remaining area of national forest.

Please see detailed information about BP's supply base in Supply Base Report available at BP's homepage:
http://www.gesfinu.com/index.php?cat=11&item=26
http://www.gesfinu.com/index.php?lang=2&cat=11&item=26

5.3 Detailed description of Supply Base

Total Supply Base area (ha):

- 3,2 mln ha

Tenure by type (ha):

- Privately owned – 3,1 mln ha;
- Public forest (private domain of the National Authority forests) – 0,1 ha

Forest by type (ha):

- Temperate Forests 3,2 mln ha

Forest by management type (ha):

- Managed natural : 2,3 mln ha;
- Planted forest: 0,9 mln ha

Certified forest by scheme (ha):

- FSC - certified forest - 391 905 ha
- PEFC-certified forest - 254 604 ha

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

http://www.gesfinu.com/index.php?cat=11&item=26
http://www.gesfinu.com/index.php?lang=2&cat=11&item=26

5.4 Chain of Custody system

The Organisation is holding valid FSC Chain of Custody and FSC Controlled wood certificate http://info.fsc.org/details.php?id=a024000000BNTYaAAP&type=certificate&return=certificate.php. Valid FSC system description and other documents exist.

The Organisation is implementing FSC Credit system of claims. 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 verification system of the organisation is covering only Portugal (the scope of the certificate covers four different sites, one of which is the Organisation, and risk assessment for this certification as a whole covers Portugal and Spain). No other feedstock is received. 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 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

The SBP annual audit was carried out on February 14-16, 2018 and it included visit of the Power Pellets II. Office and production facilities in Alcacer do Sal, Portugal, and field inspection of six forest properties / forest management units where currently the feedstock is sourced from.

List of the forest management units inspected by NEPCon audit team:

Amável Gafariz – *Herdade da Sesmaria*
Luis & Paulo Emerenciano – *Herdade da Afeteira*
Litoflora – *Herdade do Pinheiro*
Artur Quintas – *Herdade monte novo*
Flocoma – *Monte dos Pinheiros*
Bioflorestal – *Herdade de Pedrogão*

Total of 3 days were used for this audit, please see more details in the table below.

Activity	**Location**	**Auditor(s)**	**Date/time**
Opening meeting*	Office	NT, PP	14/02/2018 11.00-11.15
Review of SBP-related documents and open NCRs from previous audits Interviews with SBP responsible person and staff involved into SBP certification	Office	NT, PP	14/02/2018 11.15-12.30
Break			14/02/2018 12.30-13.30
Documents review and staff interview; planning of the feedstock suppliers visits for the next audit day	Office	NT, PP	14/02/2018 13.30-17.00
Presentation of the results of the first day	Office	NT, PP	14/02/2018 17.00-17.15

Feedstock suppliers visits	Amável Gafariz – *Herdade da Sesmaria* Luis & Paulo Emerenciano – *Herdade da Afeteira* Litoflora – *Herdade do Pinheiro* Artur Quintas – *Herdade monte novo*	NT, PP	15/02/2018 09.00-17.00
Presentation of the results of the second day	Office	NT, PP	15/02/2018 17.00-17.15
Feedstock suppliers visits	Flocoma – *Monte dos Pinheiros* Bioflorestal – *Herdade de Pedrogão*	NT, PP	16/02/2018 09.00-13.00
Break			16/02/2018 13.00-14.00
Chain of custody review (site tour); interviews with staff	Production facilities	NT, PP	16/02/2018 14.00-15.00
Documents review and staff interview	Office	NT, PP	16/02/2018 15.00-16.30
Closing meeting*	Office	NT, PP	16/02/2018 16.30-17.00

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Nikolai Tochilov, audit team leader Overall responsibility for the audit process.	NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn, Estonia in January 2015; previous experience with more than 30 SBP assessments and annual audits in Russia.
Pablo Gómez-Reino Pérez, technical expert Support in evaluation against SBP Standards 1 and 2.	Independent Forest Engineer. Lead auditor since 2009 or NEPCon on FSC CoC and FM, PEFC CoC, SBP (Sustainable Biomass Partnership), Legal Source/EUTR, SAN (Agriculture Rainforest Alliance).

General support of the audit team leader.	More than 75 CoC FSC/PEFC and more than 30 FM FSC assessments, reassessments and audits conducted as lead auditor in Spain and Portugal leading multidisciplinary teams.

Description of the evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC/ CW system of the organisation, including SBP risk assessment, SBP Procedures, Supply Base Reports and FSC system description were provided by the company in advance.

The audit started with an opening meeting, where the lead auditor introduced the auditing team, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope. Auditor explained the aim and objectives of the audit, informed about the evaluation process, underlined the need to collect objective evidence through a combination of document review, site visits, interviews and discussions, explained the essence and importance of sampling aspect of the auditing. Special attention has been paid to explanation of the differences in minor and major nonconformity reports (NCRs) and that NCRs are an expected part of the process designed to help the organization strengthen its procedures and processes.

After that audit team went through all applicable requirements of the SBP standards nr. 1, 2, 4 and 5 covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, SBP risk assessment results and their justification, stakeholder consultation process, energy data and inputs and outputs of feedstock in the last period. During the process overall responsible person for SBP system and responsible staff having key responsibilities within the system were interviewed.

At the end of the first day, the sampling of the suppliers took place.

During the second day of the evaluation, and first half of the third day, audits of individual suppliers at the FMU level took place. CB was 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.

Sampling for inspection of the feedstock suppliers included into Supply Base Evaluation: Since the audit was conducted based on FSC system but the size of the FMUs is not recorded by the BP the audit team has decided to use the sampling as defined in FSC-STD-20-007 (ver. 3-0). Totally in the reporting period BP had 28 suppliers sourcing the feedstock considered by BP as SBP-compliant from 161 properties (or forest management units, FMUs). To determine the number of the FMUs for inspection, audit team used the formula **X = (0.8 ×√Y)/2**, where **X** is the number of the FMUs to be inspected, and **Y** is the total number of the FMUs in the set of FMUs. **X = (0.8 ×√161)/2 = 6.** Thus, during this annual audit, NEPCon team inspected 6 forest management units, which were selected randomly, but preference was given to the FMUs where timber harvesting was on-going at the moment of inspection. This gave the opportunity for audit team to interview the forest workers and evaluate H&S issues.

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

Impartiality commitment: NEPCon commits to using impartial auditors and our clients are encouraged to inform NEPCon management if violations of this are noted. Please see our Impartiality Policy here: http://www.nepcon.org/impartiality-policy

6.3 Process for consultation with stakeholders

No comments received from stakeholder prior, during and after this annual audit.

7 Results

7.1 Main strengths and weaknesses

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

Weaknesses: please see NCRs raised after this audit (Section 10 of this report).

7.2 Rigour of Supply Base Evaluation

The Supply Base Evaluation was implemented only for primary feedstock sourced from 1 region of Portugal. The BP has carried out the SBE for primary feedstock (forest products) that are originating from Alentejo and is not received with FSC or PEFC claim. Risk mitigation measures are implemented for material coming from *Pinus pinea* and *Pinus pinaster* thinning harvesting operations (material from clear cut harvest operations is excluded from the SBE).

The BP has identified 5 indicators with unspecified risk in their risk assessment for whose Supplier Verification Program is carried out to determine if the risk for the defined scope is specified or low:

2.1.1 Mapping of forests and other areas with high conservation value

2.1.2 Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.

2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

2.2.4 Biodiversity is protected (CPET S5b).

2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).

2.8.1 Appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).

After this risk assessment was conducted, the stakeholder consultation process started with sending email to 66 stakeholders. The BP keeps records of communication with stakeholders. The BP has shared the results of the risk assessment with the stakeholders as well as proposed mitigation measures (SVP content).

In order to define whether the risk constitute in specified or low risk for the defined area and species (Alentejo region, thinnings/prunings of *Pinus pinea* and *Pinus pinaster*) the BP has conducted Supplier Verification program. The BP has prepared several maps with protected areas as well as list of protected species which are used during the supplier audits to identify the extend of risk in each area. The supplier audit checklists contain requirements for evaluation of legal aspects, determination of scope (species, type of harvest and area), ecological aspects (such as biodiversity, HCVs for each category, fire protection elements) and health and safety requirements together with appropriate training. The audits start at the BP office where the harvesting site is evaluated using available maps with protected areas and species. Later on, the supplier office is visited where the forest management plan is evaluated and additional information about sites are collected. Finally, the audit continues at the forest site where the workers are interviewed and the forest conditions are evaluated using the checklist. In case the evaluation of all five indicators results in low risk the risk is evaluated as low and the material is received as SBP compliant. In case there would be identified that the indicator can´t be assessed as low risk and the material can´t be received as SBP compliant, the number of suppliers verified would be increased.

After the supplier audits the BP has concluded that for the specified area, thinning operations and pine species low risk can be considered for all indicators. The supplier verification is repeated annually on sample basis.

7.3 Compilation of data on Greenhouse Gas emissions

The BP has provided good overview of the requirements for energy data collection. The responsible person has benefited from previous experience with other certification schemes (like GGL) and other experience energy data collection.

7.4 Competency of involved personnel

Staff members involved into the SBP system management and implementation, include the quality manager, supply raw materials responsible and industrial director as well as administrative staff. Interviewed staff demonstrated awareness of their responsibilities within SBP system.

The SBE was mainly implemented by Supply raw materials responsible (holding M.Sc. degree in forestry) and the quality manager, and between them, they have implemented the system. Supply raw materials responsible is covering the implementation of the mitigation measure and providing input to about forest specific issues while the quality manager is responsible for the process part of the work.
Supply raw materials responsible has provided good knowledge in relevant fields, including project management and recognition of HCVF aspects, and implementation of relevant mitigating measures during the site visits.
According to interviews, review for formal qualifications and the set of procedures and documents that were composed for the SBP system, auditors evaluated the competency of main responsible staff to be sufficient.

7.5 Stakeholder feedback

No feedback received from stakeholders prior, during and after this annual audit.

7.6 Preconditions

None.

8 Review of Biomass Producer's Risk Assessments

The BP has developed the risk assessment with evaluation of each individual indicator. The risk assessment outlines "unspecified risk" for indicators 2.1.1, 2.1.2, 2.2.4, 2.3.2 and 2.8.1. To determine whether the risk can be considered as low or specified the organization has conducted Supplier Verification program and evaluated the compliance with these indicators.

Risk assessment taking into consideration results of the SVP is presented in Table 2. It is concluded that after the situation for each indicator was evaluated at the supplier level (for the suppliers included in the SBE) by the BP lead to conclusion that the final risk level for all indicators can be considered as "low risk".

Table 1 Risk ratings for SBP SBE Indicators

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Unspecified	Specified
2.1.2	Unspecified	Specified
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Unspecified	Low
2.2.4	Unspecified	Specified
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Unspecified	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Unspecified	Specified
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined after the Supplier Verification Program

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Biomass Producer’s mitigation measures

Power Pellets II. has not implemented any mitigation measures but has reduced the scope where SBP compliant material can come from using SBE system instead. Based on the results from the SVP it was concluded that the risk is low for all the pine material (*Pinus pinea* and *Pinus pinaster*) supplied from Alentejo region.

10 Non-conformities and observations

-

NCR: 01/18	NC Classification: minor
Standard & Requirement:	SBP Standard #2, Instruction note 2A, requirement 1.2: The biomass producer shall define the criteria to be monitored during the supplier verification program, according to supplier characteristics, risk factors and local circumstances.
Description of Non-conformance and Related Evidence:	
Audit team noticed that the issue of biodiversity preservation in checklist is covered basically only with one question: 'Is biodiversity preserved?' With potential answers 'yes', 'no', 'not applicable'. Such approach works well with officially recognized and protected sites. However, in case of the other sites in the forest (not officially recognized and protected) it is difficult to verify objectively how it was checked and confirmed by BP that biodiversity is preserved there. Specific indicators which could be easily verified and confirmed are lacking. In other words, it is difficult for the other party (for example, Certification Body) to come to the same forest site, make its own verification using available checklist and come to the same justified conclusion about biodiversity preservation.	
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, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**

NCR: 02/18	NC Classification: minor
Standard & Requirement:	Instruction Document 5B, requirement 3.2:9 The Legal Owner shall record the most operationally specific and detailed data that is practically available. The methodology used and the justification for the data recorded shall be recorded in the SAR.
Description of Non-conformance and Related Evidence:	
In SAR document, section 'Biofuel primary energy', BP used the data from BioGrace II for specification of the Lower Heating Value for forestry residues (19 MJ/kg), however this Value is given for the forestry residues having 0% water. The feedstock used by BP as biofuel has higher moisture than 0%.	
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, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	Updated calculation based on the data from Wood Fuels Handbook http://www.fao.org/3/a-i4441e.pdf
Findings for Evaluation of Evidence:	BP has updated the calculation of the Lower Heating Value of the feedstock used in dryer, based on the data of caloric value as function of water content from Wood Fuels Handbook. The updated results are 10,75 MJ/kg and 12,45 MJ/kg, considering the average moisture of the two types of feedstock used in dryer (respectively, 37% and 28,85%.)
NCR Status:	**CLOSED**

NCR: 03/18	**NC Classification: minor**
Standard & Requirement:	SBP Standard #2, Instruction note 2C, requirement 5.1 The SBR shall be formally updated every year. Each annual update shall provide actual values for the previous 12 months and forecast values for the following 12 months.
Description of Non-conformance and Related Evidence:	
The following mistakes identified in updates section of Supply Base Report, section 13.4: Point b) - total sum of percentage of the different types of the primary feedstock does not result to 100% Point c) - 62% of the feedstock received as certified to an SBP-approved Forest Management Scheme is incorrect, because it is related to the feedstock included into BP's Supply Base Evaluation Points e) and f) - no primary feedstock is coming to BP from primary forests Point f) – volume of secondary feedstock (1,12%) is different from volume of secondary feedstock mentioned in point a) (0,7%).	
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, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**

Please list of the non-conformities which are likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?

None.

11 Certification decision

<table>
<tr><td colspan="2">Based on Organisation’s conformance with SBP requirements, the auditor makes the following recommendation:</td></tr>
<tr><td>☒</td><td>Certification approved:
Upon acceptance of NCR(s) issued above</td></tr>
<tr><td>☐</td><td>Certification not approved:</td></tr>
<tr><td colspan="2">Based on auditor’s recommendation and NEPCon quality review following certification decision is taken:</td></tr>
<tr><td colspan="2">NEPCon certification decision:
Certification maintained.</td></tr>
<tr><td colspan="2">Certification decision by: Ondrej Tarabus</td></tr>
<tr><td colspan="2">Date of decision: 14/May/2018</td></tr>
<tr><td>Next surrveilance audit should take place:</td><td>☒within 12 months

☐more frequently (please specify)</td></tr>
</table>

12 Surveillance updates

12.1 Evaluation details

Please see section 6 of this report above.

12.2 Significant changes

There were no significant changes in the Supply Base, mitigation measures, or risk ratings. BP is aware that on January 15, 2018 SBP has published https://sbp-cert.org/news/sbp-consultation-on-final-draft-regional-risk-assessment-for-portugal the final draft Regional Risk Assessment for Portugal and several indicators in this RRA have specified risk. BP explained that they will start using RRA as soon as it will be endorsed by SBP.

12.3 Follow-up on outstanding non-conformities

NCR number: 14889 NCR 06/17	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #1 V1.0 - Feedstock Compliance Standard - 2.2.4		
Description of Non-conformance:			
The BP has designated the risk as unspecified for this indicator about protection of biodiversity, however, the description of the risk focuses mostly on protected areas while does not take into account at sufficient level other areas which might not be included in legally protected areas but still the biodiversity might be negatively affected by extraction of feedstock. There are mentioned several institutions and actions and include loads of information but it does not provide coherent information about the protection of biodiversity in the SB under consideration. Taking into account the reduced scope of the SBE and the fact that risk is evaluated as unspecified the auditor considers this non-conformity as minor.			
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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	BP's Regional risk assessment		
Evaluation of Evidence:	The BP has designated the risk as unspecified for this indicator about protection of biodiversity. The BP has concluded that biodiversity is protected in the protected areas and the risk is unspecified outside these protected areas. There is a link to the indicator 2.1.2 where more detailed information is provided.		
NCR Status:	**CLOSED**		
Comments (optional):			

NCR number: 14894 NCR 10/17	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 7.1		
Description of Non-conformance:			
The SBR is publicly available on BPs website. http://www.gesfinu.com/arq/fich/SBR_PP2_EN.PDF However, the Annex 1 of the SBR is not publicly available on BP website.			
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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	SBR, including Annex I		
Evaluation of Evidence:	SBR including Annex I is made publicly available at BP homepage http://www.gesfinu.com/index.php?cat=11&item=26 http://www.gesfinu.com/index.php?lang=2&cat=11&item=26 Annex I is available in English only, but NEPCon audit team finds it acceptable, since new regional risk assessment will be endorsed soon by SBP for Portugal and BP will start using it.		
NCR Status:	**CLOSED**		
Comments (optional):			

NCR number: 14898 NCR 14/17	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 2A - 1.1		
Description of Non-conformance:			
The SVP was build on already existing FSC CW system (focused on origin and health and safety). The organisation aims to evaluate each year at least 20% or the suppliers but since the SBE was implemented all the suppliers of thinning wood from pine species were visited so far. 1. During the procedure revision, it was found that in case the SVP would end up in specified risk the option to modify risk designation (from unspecified to specified) is not considered in the already existing procedures. If low risk can´t be reached during the SVP than the risk shall be reconsidered and mitigation measure shall be implemented instead or material not sourced from any of the suppliers. 2. During observations made in the BP facilities and in the field, it was revealed the organization did not consider that there are also cases where the final felling might not be done in form of clear cut but simply taking the trees at the end of the life from the forest stands. By the audit date, the system for determination whether the material comes from			

final fellings or not is not implemented at full extend. Reception of material is set up in a way that the delivery documents always contain the information if the material comes from clear fillings or thinning. Prior to close this report the organization has sent an updated SVP documents were definitions about final fellings and thinning are according to the sylvicultural practices. 3. During supplier visit in one of the Litoflora' harvesting site (FSC FM Certified) it was revealed that all old pine trees were harvested form the spot. These pines were inside natural reserve and could serve a biodiversity trees. Decision of cutting was made by the private owner and the supplier and the BP decided to accept this material. The forest management plan, verified during the audit, did not considered any limitation on harvesting old pines at that specific site. As a result of this finding it was revealed that the BP has not established clearly in its own sourcing a threshold system what material is or is not acceptable from the biodiversity perspective. Clear definition is of thinning and final cut is well understand by the BP has included in their procedures (supplier audits template report), risks connected with biodiversity described in point 3 is also managed in the BP SVP however as the audit revealed the extend of the BP evaluation shall be increased. This finding is raised as a minor non-conformity, given it does not indicate complete failure to fulfil a standard requirement, or breakdown of a critical element of the supplier verification program.	
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.
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date
Client evidence:	The organization has submitted updated procedure SVP_SBE_Procedimento PP2 and print screens from the updated internal system where new category was implemented (Pinho over 40cm).
Evaluation of Evidence:	1) The audit team evaluated the procedure SVP SBE Procedimento PP2 point 3, submitted by the organization just after the audit and find it compliant and robust to provide guidance and sufficient procedures to address this non-conformity. Organization has implemented a system or revaluation of the risk designation and implementation of mitigation measures. 2) The print screen and new system was evaluated desk based and this system shall assure that all material with diameter over 40cm is excluded from SBP compliant material. This shall assure that category of final felling is containing not only material from clear cuts but also end of life trees. This will also provide assurance that old biodiversity trees will not end up in SBP compliant material.

	During the annual audit 2018 this system was evaluated onsite, including field visits and interviews and found to be appropriate by auditor.
NCR Status:	**CLOSED**
Comments (optional):	

NCR number: 14900 NCR 16/17	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 2A - 1.6		
Description of Non-conformance:			
The organization claims that when sampling will be applied random selection will be also used. However, as all suppliers were audited so far and the procedures does not include this requirement it is not clear if random technique would be applied or not.			
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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	SBP Procedure		
Evaluation of Evidence:	Section 3 of SBP Procedure states that 20% of the feedstock suppliers (SBP-compliant feedstock) shall be randomly inspected during the year; this sampling intensity is followed by BP.		
NCR Status:	**CLOSED**		
Comments (optional):			

NCR number: 14902 NCR 17/17	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 18.1		
Description of Non-conformance:			
The organization has described the SBE in the SBR. However, the SVP description is confusing at certain level and it might not be clear for the reader. The organization does not describe how the process is done and what details are evaluated during the supplier audits.			
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.		

NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date
Client evidence:	Scope change audit 2017: The organization has provided updated SBR just after the audit. Annual audit 2018: Updated SBR.
Evaluation of Evidence:	Scope change audit 2017: The audit team has evaluated the updated SBR submitted by the organization. The section "4.4 Results of Supplier Verification Programme" was improved and provides good information about the process the section "5 SBE Process" remain lacking some information to provide full picture about the SBE process in places. Thus this non-conformity remain open. Annual audit 2018: Section 5 "SBE Process" was updated and contains enough information about SBE process and is in compliance with SBP instruction.
NCR Status:	**CLOSED**
Comments (optional):	

NCR number: 14903 NCR 18/17	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 19.1		
Description of Non-conformance:			
The SBR was given to the stakeholders for further consultation. This included also the results of the risk assessment. However, the BP claims in the SBR (section 11.2) that the report is also available on company website. Due to the fact that the Annex 1 with the risk assessment results was not provided at this website and thus the public received incomplete information. As the risk assessment results were shared with stakeholders also via sending them direct email this non-conformity is considered as minor.			
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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	SBR, including Annex I		
Evaluation of Evidence:	SBR including Annex I is made publicly available at BP homepage http://www.gesfinu.com/index.php?cat=11&item=26 http://www.gesfinu.com/index.php?lang=2&cat=11&item=26 Annex I is available in English only, but NEPCon audit team finds it acceptable, since new regional risk		

	assessment will be endorsed soon by SBP for Portugal and BP will start using it.
NCR Status:	**CLOSED**
Comments (optional):	

NCR number: 14905 NCR 19/17	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Instruction Document 5B - Energy and GHG Data V-1.1 - 6.1.5		
Description of Non-conformance:			
Transport fuel is blended with biofuels in all Portugal but the % has not been reported.			
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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	Decreto-Lei No 89/2008 from the Ministry of Economics and Innovation. SAR		
Evaluation of Evidence:	It is stated in above mentioned law that biofuel content in diesel shall be from 5 to 10%, this is legal requirement in Portugal. Relevant information included into SAR.		
NCR Status:	**CLOSED**		
Comments (optional):			

NCR number: 14906 NCR 20/17	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Instruction Document 5B - Energy and GHG Data V-1.1 - 6.1.7		
Description of Non-conformance:			
The BP has provided the road distance (75km) and load of the truck (40.4 tn), references from biograce of 0.87 MJ/tn.km will be used if relevant. The BP has not provided a justification about fuels consumption of the trucks in the SAR document.			
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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	Explanations of certification responsible.		

Evaluation of Evidence:	BP asked their contractors to provide information about diesel consumption by truck and the average value is 40 litres diesel / 100 km. However, BP considers that it is more appropriate to use in SAR the BioGrace value from Instruction 5B.
NCR Status:	**CLOSED**
Comments (optional):	

NCR number: 15410 NCR 21/17	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Instruction Document 5B - Energy and GHG Data V-1.1 – 3.1.1		
Description of Non-conformance:			
SAR document has been completed using photographs, justifications and additional information were requested and the data has been supported by evidences available for the auditor during the audit. It was identified that while energy for handling material from trucks to the vessel was reported the section “Please indicate address of off-site storage, handling or trans-shipment facility, if any” does not contain the address of the place where handling is done.			
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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	SAR		
Evaluation of Evidence:	Address of the place where handling is done, is specified in SAR (Part 1 of the document).		
NCR Status:	**CLOSED**		
Comments (optional):			

12.4 New non-conformities

Please see section 10 above in this report (NCR 01/18).

12.5 Stakeholder feedback

No feedback received from stakeholders prior, during or after this annual audit.

12.6 Conditions for continuing certification

SBP certification is maintained upon acceptance of minor NCR 01/18 (please see section 10 above).

12.7 Certification recommendation

Auditor recommends certification maintenance upon acceptance of NCRs raised above in this report.