

Control Union Certification B.V. Evaluation of Enermontijo S.A. Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.4

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

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1 Overview

CB Name and contact: Control Union Certifications; Meeuwenlaan 4-6; P.O.Box 161, 8000AD Zwolle, Netherlands. certification@controlunion.com

Primary contact for SBP: Andrea Ferrazzo

Current report completion date: 12/Aug/2019

Report authors: Mr. Lennart Holm (Lead Auditor) and Mr. Hubert Jurczyszyn (Certifier)

Name of the Company: Enermontijo S.A.

Company contact for SBP: Joana Carvalho

Certified Supply Base: Continental Portugal

SBP Certificate Code: SBP-06-19

Date of certificate issue: 15/Nov/2016

Date of certificate expiry: 14/Nov/2021

This report relates to the Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

The certificate scope covers production of wood pellets, for use in energy production, at Enermontijo in Pegões, Portugal and transportation to Setubal, Lisbon and Sines harbours. The Organisation holds an FSC® Chain of Custody certificate. Feedstock used in the biomass production originates from Portugal. A Supply Base Evaluation is included in the scope of the evaluation. The scope includes communication of Dynamic Batch Sustainability Data

The following SBP standards are applicable and form the scope of the evaluation and thus, the SBP certificate: Standard 1, Standard 2, Standard 4 and Standard 5. All material is either SBP compliant or SBP controlled through standard 1 SBE, FSC certified or FSC controlled materials.

SBP certificate: SBP-06-19

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 the 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 SBP system control points and an analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients; and
- GHG data collection analysis - Instruction Document 5D: Dynamic Batch Sustainability Data v1.1 evaluation

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

Not applicable - No SBP endorsed Regional Risk Assessment was used for this assessment

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Enermontijo is a wood pellet production plant established in 2008. It has a production capacity of 80 thousand tons of wood pellets a year and in practise produces around 60 thousand tons a year. Nationally and regionally Enermontijo can be considered a medium to large wood pellet plant. However, in comparison to the pulp and paper plants in Portugal, it is merely a small stakeholder in the forest sector. Enermontijo supplies industrial wood pellets to power plants in the North-West of Europe, as also high-quality pellets to ever more European markets. The company acquires primary feedstock from one well-known supplier which sources regionally. It uses mainly small, low-quality tree stems from thinning activities. Thinning and pruning residues of umbrella pine (*Pinus pinea*) are the most used feedstock by Enermontijo and for this feedstock the company involves contractors to carry out the forest operations. A small portion of low-grade eucalyptus (co-product) is used as a feedstock which has too low quality to be used in the pulp and paper industries. Most of the feedstock used for pellet production came from forest maintenance operations in Portugal, mainly the following regions:

- Setúbal;
- Lisboa;
- Santarém;
- Évora;
- Beja;
- Portalegre.

Enermontijo uses mainly primary material from Portugal. Less than 10% of the feedstock consists of woodworking residues procured locally. This is sawdust from the small fraction of the sieved wood chips at pulp and paper plants (a residue that cannot be used by the pulp and paper industry in their production process). This local supplier sources a small amount of feedstock from Spain, as also a small fraction from two overseas countries. The imported volumes are eucalyptus species (not a CITES or IUCN list tree species). All wood processing residues are procured with an FSC certified claim..

5.2 Description of Company's Supply Base

A quantitative description of the supply base can be found in the company's Supply Base Report.

Continental Portugal

Portugal is covered by 3,2 million ha of forests, corresponding to 35,4% of the country's land mass, followed by soil considered uncultivated (32%) and farmland (24%). Over the period 1995 – 2010 the forest decreased 4,6%. The net decrease of forest areas (150 611 ha) is mainly due to conversion to 'brush and pastures'. In addition, significant areas of forests were converted to urban use (28 000 ha).

In Continental Portugal, private property from private owners (89%) and community (Baldios, 8%) correspond to 3,1 million ha of forests (97% of total forest land), including 5,7% property of industry companies. Public

areas are up to 3% (around 94 thousand ha). The forest area under communitarian management (Baldios) are subject to old customary and traditional rights and regulated by specific laws.

Portugal has approximately 10 million inhabitants, there are no indigenous peoples or minorities groups relying on the forests for their livelihood.

Some key aspects of forests in Portugal determine the development of its management, namely:

1. 97% of the forest is in private ownership. More than half of the forests are very small parcels of only one or a few ha (mainly in the northern and central regions). Regional forest management plans do not apply to small wood lands;
2. Many private owners are not involved in their property and can be living far away. Lacking cadastral data (only 53% of the land), and discrepancies of registered and actual ownership rights;
3. Forest cover has increased from under 2,0 million to 3,2 million ha over the last 100 years and is dominated by introduced species.
4. Various regions with different forest tree species and silvicultural systems; specific forestry legislation directed towards regional development strategies.

The above points create risks to ecological and social aspects of sustainable forestry. However, a general legal and institutional basis in forestry is in place and biomass producers are able to effectively implement mitigation measures.

According to a prospective study for the Forest Sector (AIFF, 2013), the size of the stands is a key factor, with significant impact on the profitability and sustainability of the activity. In the north and center of Portugal approximately 54% of the forest area spreads over stands of less than 10 ha.

Forest Management Plans (PGF) are mandatory for forest areas above a minimum area defined by Regional Forestry Management Plans (PROFs), as well as in Forest Intervention Areas (ZIF: 940 432 ha). In 2016, there were 1 680 000 ha under PGF from which 450 034 ha overlap the National Classified Areas Network.

The national forest and conservation authority is the Institute of Conservation of Nature and Forests (ICNF) with competencies on all forest, hunting and nature conservation affairs. ICNF also manages public forest areas and is involved in the management of community areas. Additionally, the Environmental Service of the National Republican Guard (SEPNA / GNR) is engaged in the inspection of environmental issues and natural resources in all private and public areas.

A felling manifest is required for commercial felling (including thinning) of all tree species for industrial purposes, with a 30-day deadline after the operation is concluded. The felling phytosanitary manifest includes identification of the origin of the felling. Also, documentation for transportation identifies the origin of the transport which increases traceability of direct transports. This are the most common ways to trace back to origin.

Secondary Feedstock (procured locally with FSC certified claim)

Enermontijo procures secondary feedstock from one supplier having 2 local pulp mills - the residue from sieving eucalyptus wood chips. All wood processing residues are procured with an FSC certified claim (out of scope of the Supply Base Evaluation).

Most secondary feedstock originates from Continental Portugal; a description of this supply base is given above. A very small percentage of secondary feedstock is originating from Spain, Brazil, Uruguay. The descriptions on these supply bases are given below as well.

Spain (0,77% feedstock supply)

There are 27,67 million hectares of forest land in Spain, which represent 55,6% of the total area. Of this area, 18,27 million hectares are considered forested areas and 9,4 million are treeless forest areas. Approximately 90% of the 18,27 million hectares of forest land are considered semi-natural forests. Also, 1,54 million hectares of plantations of the total forested area are registered, of which 583,483 hectares are mainly covered of Eucalyptus spp. (FSC-NRA-ES V1-1).

Between 1970 and 2010 Spain's forest area increased by about 6,48 million ha. Between 1990 and 2010, growth was 4,4 million ha. With an average rate of 210 000 ha per year, Spain the fastest growing forest area in Europe.

As of December 2016, there were 255,944 ha of FSC-certified forests in Spain (30 FSC Forest Management certificates and 842 FSC chain of custody (COC) certificates). In 2017, there were 1 830 546 ha certified under PEFC (16 076 PEFC Forest Management certificates, and 1 115 PEFC CoC certificates).

According to the National Forest Inventories, over 80% of forests in Spain are composed of two or more tree species. The largest formation is made of holm oaks (which represents 15,3% of the tree covered area), followed by pastures and pine stands.

Average annual logging volume between the years 2000 and 2010 was 15,3 million cubic meters of barked wood, of which approximately 60% was coniferous and 40% deciduous. These logging rates account for a mere 1,5% of stock and 32% of the annual increment. In 2010, annual wood consumption was 27,7 million cubic meters. The main timber producing species are eucalyptus, maritime pine, radiata pine, scotch pine, and poplars.

There are four main categories of forest types:

- The Mediterranean broadleaved forests (in the south-central region);
- The Mediterranean conifer forests (also in the south-central region);
- The Atlantic forests, a group of mixed formations of beech, oak, chestnut, birch, etc;
- Plantations of mainly introduced tree species.

The Mediterranean nature that characterizes most of the country brings with it a great variety of forest ecosystems and an extraordinary wealth of flora, which means that Spanish forests have high biodiversity levels. The extraction of non-wood products is significant. The most significant products in economic terms are cork, fruit, biomass production for energy purposes, resins, grazing pastures, mushrooms, hunting and different plants.

The public administration of forests and forestry is divided among different jurisdictional levels in Spain:

- State General Administration;
- Autonomous Communities (AC) of which there are 17 covering all Spanish territory; and

- Local public bodies within each Autonomous Community.

Spanish forestlands are distributed between:

- Privately owned lands (70,9%);
- Local administrations (22,9%);
- The central and regional governments (6,2%).

Over two-thirds of the forests are private property, less than one third are under public ownership, and only a small proportion is owned by the state. Most public land is owned by local public corporations. Forest management is also shared among the different jurisdictional levels; there are State laws which include general regulations but most responsibility for the management of public forests falls at the level of the Autonomous Community. Wood harvesting is regulated by the Autonomous Community's forest agency. There are specific areas legislated mostly by the state (e.g. land tenure, tax payment, transports) but others for which each Autonomous Community have developed their own legislation, the content and provisions of which differs from one community to another (as with management and harvesting planning).

The size of forest lands depending on their ownership does not reflect great differences between those that belong to the State and those that belong to other public entities, with an average of 500 and 600 ha respectively, but there is a significant difference with privately owned forestlands, whose mean surface area scarcely covers 3 ha, clear indication of the extent of smallholdings still existing in the private forest sector (Spanish Forest Strategy).

The Spanish Forest Law (Law 43/2003) forms the legislative basis for forest management. Most Autonomous Communities have their own laws ('Ley de Montes') regulating the protection, management and harvesting of forests in their territory. Article 33 establishes the need for both public and private forests to have a Forest Management Plan, and a working scheme or other equivalent Management Instrument. These documents will be elaborated by the owner/title holder and must always be approved by the regional forestry organization. Multiple laws in each Autonomous Community regulate forestry and harvesting and the specific technical forest operating constraints

Any organisation that wishes to become certified in Spain must have a forest management plan with defined management goals, techniques and actions. Next to FSC, Spain has a PEFC Endorsed Forest Certification System, based on the national sustainable forest management regulation 'UNE 162 000'.

As stated in the Forest Act, forest management plans are obligatory for all public and private forests, except those that do not meet the minimum area each Autonomous Community determines.

Uruguay (1,08% feedstock supply)

Uruguay is located in the south-eastern part of South of America. Its total area is 18,4 million hectares. The country has approximately 500 km of coastline. Most of its territory is consists of plains.

There is excellent fresh water availability. The country has a vast network of rivers and streams. Grassland is the main ecosystem, used mainly for extensive cattle raising. The climate is temperate with a mean of low and high temperatures of 6°C and 32°C respectively.

Grassland, native forests, and wetlands are the three typical ecosystems of the country. Natural forests in Uruguay mainly grow near rivers in the countryside. The native forests are composed of more than 500 native species, including palms. The most abundant are 'sauce criollo' (*Salix humboldtiana*), 'sarandí colorado' (*Cephalanthus glabratus*), 'sarandí blanco' (*Phyllanthus sellowianus*) and 'mataojos' (*Pouteria salicifolia*).

The country has 3,5 million hectares of soils suitable for forestry. This area is divided in forestry priority regions, according to soil fertility characteristics. There are 800 thousand hectares of eucalypts and pines plantations (70 and 30 per cent respectively). Native forest area accounts more than 750 thousand hectares that remain protected, with only limited harvest allowed. Over 955 thousand hectares are FSC certified.

The dominant species is eucalyptus, even for lumber production. Intensive management, including pruning and thinning is used, with long rotations (20 years for eucalyptus species and 25 for pine species) finishing with a stock of about 200 to 250 trees per hectare, producing knot free lumber.

Pulpwood species were initially led by *Eucalyptus globulus*, which now still dominates in the south and east of Uruguay. However, *Eucalyptus grandis* and *Eucalyptus dunii* plantations are gaining ground quickly. Plantations are mainly established on privately owned properties.

The country has a stable legal environment conducive to investment in the sector and a national code of good forestry practices for achieving sustainable production, fulfilling the requirements of international demand. The development of the forestry sector in Uruguay started with a design of sustainable management.

The main issues regarding forest sustainability in Uruguay are:

- The introduced non-indigenous tree species are, in some areas, in competition with the native species. New plantations may fragmentise native landscapes and affect genetic diversity;
- Large quantities of pesticides and herbicides are used to protect the plantations from pests and weeds;
- When the plantations are harvested, the land becomes bare, and the risk for forest fires increases.

The forestry sector's contribution to the country's gross domestic product (GDP) doubled from 1,9% to 3,7% between 2006 and 2014. This growth was realised by the processing industry, producing sawn wood, wood pulp, and paper.

The forest sector is developing, and small and medium service providers are providing trainings to forest workers in low populated areas. This has an important social impact. The forestry industry generates one job for every 30 to 35 hectares and the sector creates a large number of jobs indirectly.

Brazil (0,15% feedstock supply)

Brazil has 524 million ha of forests. In 2014, the area of planted wood lands for industrial purposes equalled 7,74 million ha. Eucalyptus plantations occupy 5,56 million ha; they are located mainly in the provinces of Minas Gerais, São Paulo and Mato Grosso do Sul. In 2018, 6,66 million ha were FSC certified and 3,59 million ha are PEFC certified.

The importance of wood plantations for the Brazilian GDP has grown every year. In 2014 it represented 1,1% of the wealth generated in the country and 5,5% of industrial GDP.

In Brazil, forest plantations and the harvest of planted trees, including eucalyptus, is permitted, however, limitations in environmental terms must be respected (buffer strips along river system, on slopes, etc.); it is legality prohibited to convert natural forests to plantations. The harvesting operations are subject to supervision by the authorities. In Brazil, in reforestation projects of industrial size, including the use of species like eucalyptus, a pre-environmental impact study is mandatory.

5.3 Detailed description of Supply Base

A quantitative description of the supply base can be found in the company’s Supply Base Report.

Primary Feedstock’ (considered in the SBE)

Continental Portugal

- a. Total Supply Base area (ha): 3,2 million ha forest lands
- b. Tenure by type (ha): Private: 3,1 million ha (97%, including 8% community managed)
Public: 0,1 million ha (3%)
- c. Forest by type (ha): Temperate Forest: 3,2 million ha
- d. Forest by management type (ha): Plantations: 1,8 million ha;
Managed natural: 1,4 million ha
- e. Certified forest by scheme (ha): FSC: 433 988 ha (June 2019)
PEFC 268 824 ha (2018)

‘Secondary Feedstock’ (not considered in the SBE)

7,7% of all feedstock used for pellet production was secondary feedstock (reference period 2018).

5,7% originated from Portugal (see supply base data above).

Spain (0,77% feedstock supply)

- a. Total Supply Base area (ha): 27,7 million ha forest lands officially
- b. Tenure by type (ha): Private: 19,6 million ha forest lands (71%)
Public: 8,1 million ha forest lands (29%)
- c. Forest by type (ha): Temperate Forest: 27,7 million ha forest lands
- d. Forest by management type (ha): Managed natural: 15,5 million ha
Plantations: 1,8 million ha;
- e. Certified forest by scheme (ha): FSC: 301 thousand ha (2019)
PEFC: 1,9 million ha (2019)

Uruguay (1,08% feedstock supply)

- a. Total Supply Base area (ha): 1,84 million ha forested lands
- b. Tenure by type (ha): Private: 1,82 million ha forest lands (99%)
Public: 0,02 million ha forest lands (1%)
- c. Forest by type (ha): Temperate Forest: 1,84 million ha forest lands
- d. Forest by management type (ha): Managed natural: 0,75 million ha
Plantations: 0,80 million ha;

- e. Certified forest by scheme (ha): FSC: 988 958 ha (2019)
PEFC: 645 670 ha (2018)

Brazil (0,15% feedstock supply)

- a. Total Supply Base area (ha): 493,5 million ha forest area
- b. Tenure by type (ha): Private: 101,7 million ha forest land (20,6 %)
Public: 305,0 million ha forest land (61,8 %)
Unknown: 86,8 million ha forest land (17,6%)
- c. Forest by type (ha): Temperate Forest: 103,6 million ha forest area (21%)
Tropical Forest: 289,9 million ha forest area (79%)
- d. Forest by management type (ha): Natural: 485,8 million ha
Plantations: 7,7 million ha
- e. Certified forest by scheme (ha): FSC: 7 110 486 ha (2019)
PEFC: 3 810,105 ha (2018)

Feedstock

- a. Total volume of Feedstock: **101 157,820 tonnes (100%)**
- b. Volume of primary Feedstock: **93 366,00 tonnes (92,3%)**
- c. Percentage of primary feedstock categories:
- Certified to an SBP-approved Forest Management Schemes: **0% (0,00 tonnes)**
 - Not certified to an SBP-approved Forest Management Schemes: **100% (93 366,00 tonnes)**
- d. List all species in primary feedstock, including scientific name:
- Eucalyptus (*Eucalyptus spp.*);
 - Maritime pine (*Pinus pinaster*);
 - Umbrella pine (*Pinus pinea*);
 - Poplar (*Populus spp.*);
 - Acacia (*Acacia spp.*).
- e. No feedstock from primary forest
- f. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: **not applicable**
- g. Volume of secondary feedstock: **7 791,820 tonnes (7,7%) Other wood industry residues.**
- h. No tertiary feedstock.

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody certificate. Valid FSC system description and other documents exist. Critical control points of the FSC CoC system were evaluated also during SBP audit. The

Organisation has implemented FSC credit system. 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, covering Portugal. Feedstock whose origin cannot be verified as per the established Due Diligence system, will be considered as Non-Controlled and will not be included in the production of certified products nor supplied SBP controlled. Supplier list is maintained. After the reception, incoming feedstock is unloaded into piles according to type of feedstock and load is registered into the recordkeeping system. All input material is weighted and recorded in tonnes. For the credit account purposes the volume of feedstock is recalculated by using the conversion factor of the production, FSC credit account is updated once 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. Based on the credit account management the proportion of the SBP-compliant and SBP-controlled biomass is calculated and all records are kept.

6 Evaluation process

6.1 Timing of evaluation activities

The audit occurred between July 29-31, 2019 by an audit team consisting of Lennart Holm, Lead Auditor and Luis Vaz Freire, Auditor. This report is the result of the findings of a certification evaluation carried out by an independent lead auditor representing Control Union Certifications. The purpose of the assessment was to evaluate the compliance of the client with respect to the standards used within the scope of the certificate.

| Activity | Site | Date/Time |
|--|------------------------------------|-------------------|
| Preparation | Off site | Monday 29-07-2019 |
| Opening meeting | Enermontijo Auditor: LH, LVF | 09:00-09:15 |
| Agreement on Scope | LH, LVF | 09:15-09:30 |
| Checking the documents at hand | LH, LVF | 09:30-10:00 |
| Checking the Supply Base Evaluation | LVF | 10:00-12:30 |
| Lunch break | | 12:30-13:30 |
| Analyze SBE | LVF | 13:30-16:30 |
| Business integrity, social, health and safety requirements | LH | 09:30-11:00 |
| Logo/Trademark use | LH | 11:00-11:15 |
| Complaints procedures | LH | 11:15-11:20 |
| GHG data registrations | LH | 11:20-12:30 |
| Finalization GHG data audit Verification of missing items | LH | 13:30-16:30 |
| Tour of the facility: - Receiving of materials | LH + LVF | 16:30-17:45 |

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|--|-------------------------------------|-------------|
| - Wood Yard - Equipment used | | |
| Final discussion / days closing meeting | LH | 17:45-18:00 |
| Tuesday 30-07-2019 | | |
| Day's Opening meeting | Enermontijo Auditor: LH, LVF | 09:00-09:15 |
| Field verification of SBE, Visits of ports of Sines and Setúbal | Site TBD Auditor: LVF | 09:15-17:45 |
| Visit of port of Lisbon | LH | 09:15-11:00 |
| Chain of Custody registrations | LH | 11:00-12:30 |
| Lunch break | | 12:30-13:30 |
| Output claims | LH | 13:30-16:45 |
| Incoming material claims | LH | 16:45-17:00 |
| Incoming raw material registration | LH | 17:00-17:45 |
| Final discussion / days closing meeting | | 17:45-18:00 |
| Wednesday 31-07-2019 | | |
| Day's Opening meeting | Enermontijo Auditor: LH + LVF | 09:00-09:15 |
| Suppliers and supplier certificates | LVF | 09:15-10:30 |
| Finalization SBR and SBE audit Verification of missing items | LVF | 10:30-16:00 |

| | | |
|-----------------|----------|-------------|
| Lunch break | | 12:30-13:30 |
| Report writing | LVF + LH | 16:00-17:30 |
| closing meeting | LVF + LH | 17:30-18:00 |

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|--|--------------------------------|
| <ul style="list-style-type: none"> Names and affiliations of people interviewed | |
| Name: | Affiliation: |
| Joana Carvalho | Enermontijo |
| Horácio Rosa | Enermontijo |
| Cátia Baila | Enermontijo |
| António Luis | Enermontijo |
| João Páris | Enermontijo |
| Tatiana Savelyeva | Consultant |
| Claudia Filipe | Supplier – Biopower Lda. |
| Rui Ratos | Supplier – Biopower Lda. |
| Luis Nobre | Supplier – Bioverde |
| Francisco Corballo | Supplier – Orsig |
| Carlo Abreu | Supplier – Orsig |
| Sergio Silva | Supplier – Mariano Ramos |
| João Oliveira | Pontsinet – Port of Sines |
| Paulo Neves | Set Shipping – Port of Setubal |
| Diogo Sampaio | TMPB – Port of Lisbon |
| | |

6.2 Description of evaluation activities

The audit consisted of an opening meeting, during which the scope was confirmed. The auditor also explained the methods to be employed during the audit. After this introduction, all relevant requirements of the applicable SBP standard(s) were verified on compliance through the use of a report template and checklists. The audit was completed by filling in the audit report and discussing the audit results. Critical Control points were evaluated and found to be sufficiently managed. During the closing meeting it was also discussed how evidence can be submitted of corrective action with respect to potential non-conformities that may be identified during the audit

6.3 Process for consultation with stakeholders

Enermontijo has produced an SBE with required Risk Assessment. Consultation with stakeholders' was conducted by Enermontijo on 10/07/2018 with a deadline to submit comments by on 09/08/2018. Consultation with stakeholders was conducted by Control Union on 10/07/2018 with a deadline to submit comments by on 09/08/2018. The process for stakeholder consultation consisted of sending direct email to different stakeholder categories: state institutions, local NGOs, authorities, government bodies, forest owners associations, academic and research institutions. All stakeholders are recorded on the stakeholders_list.xls. One comment were received and resulted in assessing indicator 1.1.2 as low risk.

7 Results

7.1 Main strengths and weaknesses

The audit of Enermontijo demonstrated a good level of compliance with the required criteria of Standard 1, 2, 4 and 5. There was reasonable evidence provided to support compliance where a Non-Conformity was not detected.

The Non-Conformities presented in this report identify actions that must be taken in order to comply with the SBP system and its standards. The existence of a FSC Chain of Custody system is considered a main strength with respect to Enermontijos overall conformity with the relevant SBP standards. Weaknesses: Very small amount of certified material. Non conformities identified in this audit.

7.2 Rigour of Supply Base Evaluation

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

7.3 Collection and Communication of Data

Enermontijo do have in depth procedures for this and have supplied actual data on Greenhouse Gas emissions, except for forest operations; including planting, harvesting, use of pesticides and fertilizers. For the in-forest use of chemicals, operational data is not recorded because is not primary feedstock from woody energy crops.

7.4 Competency of involved personnel

Internal staff members are involved in the SBP system management and implementation. All interviewed responsible staff demonstrated awareness of their responsibilities within SBP system. The key responsible person for developing the SBE system were two external consultants with experience is producing SBP systems and carries a PhD as well as a MSc in a relevant field. All involved personnel, including responsible staff at suppliers and sub-suppliers have demonstrated good knowledge in relevant fields (recognition and

identification of HCVF, familiarity with health and safety requirements, timber origin verification) during the site visits. Relevant certificates and diplomas were presented during the assessment and scope change audits. Qualification requirements for personnel involved in the SBE system are provided in documented procedures of the BP. In overall, auditors evaluate the competency of main responsible staff to be sufficient for implementing the SBP system with both primary and secondary material sourced within the SBE. This has been based on interviews, review of qualification documents, training records and set of procedures and documents that were composed for the SBP system as well as field observations during the assessment and audits.

7.5 Stakeholder feedback

See 6.3 above

7.6 Preconditions

N/A, no preconditions.

8 Review of Company’s Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB’s final risk ratings in Table 1, together with the Company’s final risk ratings. Default for each indicator is ‘Low’, click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

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

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

1.1.2 and 1.4.1: These indicators are low risk; nevertheless, verification of the origin and legality of the feedstock is part of the standard procedures of Enermontijo.

2.1.1 and 2.1.3: HCV 1 and 3 are specified risk; HCV 2, 4, 5 and 6 are low risk. Usual social and cultural aspects regarding Sustainable Forest Management are considered during the evaluation of best practises.

2.4.1: The possible impacts of the harvest operations on the forest and its surroundings are assessed in front (also in relation to the interests of the local population, farmers, and people interested in recreation).

2.4.2: Specified risk regarding the forest fire fighting aspect; low risk on pests and diseases.

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

| 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 | Specified | Specified |
| 1.3.1 | Low | Low |
| 1.4.1 | Low | Low |
| 1.5.1 | Low | Low |
| 1.6.1 | Low | Low |
| 2.1.1 | Specified | Specified |
| 2.1.2 | Specified | Specified |

| Indicator | Risk rating (Low or Specified) | |
|-----------|--------------------------------|-----------|
| | Producer | CB |
| 2.3.3 | Low | Low |
| 2.4.1 | Low | Low |
| 2.4.2 | Specified | Specified |
| 2.4.3 | Low | Low |
| 2.5.1 | Low | Low |
| 2.5.2 | Low | Low |
| 2.6.1 | Specified | Specified |
| 2.7.1 | Low | Low |
| 2.7.2 | Low | Low |
| 2.7.3 | Low | Low |

| | | |
|-------|-----------|-----------|
| 2.1.3 | Specified | Specified |
| 2.2.1 | Specified | Specified |
| 2.2.2 | Specified | Specified |
| 2.2.3 | Specified | Specified |
| 2.2.4 | Specified | Specified |
| 2.2.5 | Low | Low |
| 2.2.6 | Specified | Specified |
| 2.2.7 | Low | Low |
| 2.2.8 | Low | Low |
| 2.2.9 | Low | Low |
| 2.3.1 | Low | Low |
| 2.3.2 | Specified | Specified |

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| 2.7.4 | Low | Low |
| 2.7.5 | Low | Low |
| 2.8.1 | Specified | Specified |
| 2.9.1 | Specified | Specified |
| 2.9.2 | Low | Low |
| 2.10.1 | Low | Low |

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

| 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 |

| 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 |

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| 2.2.9 | Low | Low |
| 2.3.1 | Low | Low |
| 2.3.2 | Low | Low |

9 Review of Company’s mitigation measures

The mitigation measures per indicator are given in the table below. Subsequently, information is given on the management system, implementing the mitigation measures regarding the sustainability indicators.

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| 1.2.1 | <i>The Biomass Producer has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base</i> |
| Mitigation measures | <p>Enermontijo does not buy wood from wood suppliers without a valid company registration, nor from wood lands, of which the owner rights are disputed. Any dispute concerning the ownership of the wood needs to be solved first. The precise location of the forest plot is determined. Delivery documents for every cargo have to state the origin. Suppliers declare to alert Enermontijo, if they change the source of the feedstock.</p> <p>Enermontijo has a supplier approval procedure. When starting business relationship with the owner or a wood supplier, Enermontijo investigates if cadastre data are available and if not, additional investigations are conducted by means of legal document research and extends to, for example, interviewing local stakeholders (owners of neighbouring wood lands) and local authorities, whenever:</p> <ul style="list-style-type: none"> • Cadastral data are unavailable; • The land will be impounded by the government; • There are complaints about the land owner, or the harvest operation. <p>If Cadastral data are unavailable, or the land will be impounded by the government, or if there are complaints about the land owner, or the harvest operation, these mitigation measures are executed:</p> <ul style="list-style-type: none"> • Identification of the plot / area; • Identification of the owner; • Proof of the relationship between the seller and the land in question; • Formalization of the business through a purchase and sale agreement; • Mapping; • Invoice and bank payment; • Check ownership of bank account; • Description Land registry or Caderneta Predial Rustica is demanded. <p>In addition to the information collected, during a site visit is information is taken about:</p> <ul style="list-style-type: none"> • Type of vegetation and species; • Ground boundaries; • Accesses routes. <p>The Due Diligence system and the procedures which include legality and feedstock origin state appropriate control systems. See also indicator 2.6.1.</p> |
| 2.1.1 HCV 1 & 3 | <i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.</i> |

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| | <p><i>HCV 1 – Species diversity</i> <i>HCV 3 – Ecosystems and habitats</i></p> |
| Mitigation measures | <p>Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity or classified as priority species’ habitats. Habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports.</p> <p>HCV 1 – Species diversity There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm species diversity. Species diversity is evaluated and recorded before harvesting operations commence. Caution and best practises are applied. Special attention is given to the National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity Areas (IBAs). See also below, indicator 2.2.4</p> <p>HCV 3 – Ecosystems and habitats There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm ecosystems and habitats. In these situations, Enermontijo demands to evaluate the environmental impacts (on Ecosystems and habitats) of the forest operations before the forest operations commence. Caution and best practises are applied. See also below, indicator 2.2.3</p> <p>Enermontijo (contractually) ensures:</p> <ul style="list-style-type: none"> • mapping of the harvesting plot; • harvesting according to best practices in sustainable forest management; • cleaning of waste from plantations • tree species (no genetically modified trees) <p>Steps taken:</p> <ul style="list-style-type: none"> • Study publicly available sources (internet sites) and other information regarding the plots where harvesting operations are planned and their surroundings; • Inform feedstock suppliers on found results regarding possible risks in front; • Onsite assessment of the plots and their surroundings prior to harvesting, measures are taken for example, when habitats are found; • Development of adaptations to the harvesting plans, if needed; • Enermontijo inspects the forest operations at the harvesting areas. |
| 2.1.2 HCV 1 & 3 | <p><i>The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.</i></p> <p><i>HCV 1 – Species diversity</i> <i>HCV 3 – Ecosystems and habitats</i></p> |
| Mitigation measures | <p>Steps taken:</p> <ul style="list-style-type: none"> • Assessment, evaluation and ‘SBE approval’ of suppliers • Desk Assessment of possible impacts of harvesting operations, regarding Publicly available information from credible third parties; • Training of suppliers on identification of forests with HCVs, and methods to protect HCVs; • Identification and mapping of protected species, habitats and key ecosystems on the plot before harvesting; |

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| | <ul style="list-style-type: none"> • Development of adaptations to the harvesting plans, if needed; • Harvesting according to best practices in sustainable forest management; • Enermontijo keeps records of field inspections and continuously evaluates the results of the feedstock suppliers. |
| 2.1.3 | <i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.</i> |
| Mitigation measures | <p>When a eucalyptus or poplar plantation is cut the history of the plantation is investigated:</p> <ul style="list-style-type: none"> • The year of conversion to plantation (if it was converted after 2008). If needed, interviews with stakeholders and residents are taken and the plot is searched for tree stumps. • Was it a forest before being converted to plantation? • Will a plantation be established here after current operations? If land use change (conversion) is planned the feedstock cannot be accepted as SBP compliant. <p>This is dealt with in the Feedstock Supplier Declaration and addressed in the field operations checklist.</p> |
| 2.2.1 | <i>The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.</i> |
| Mitigation measures | <p>In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification), or a plan is available but does not apply to a small holder, an additional assessment of environmental impacts is made and recorded before harvest. Special attention is given to plots smaller than the minimum threshold for the mandatory Forest Management Plan (PGF) and outside the SNAC.</p> <p>Before harvesting operations commence, the plot is visited and evaluated:</p> <ul style="list-style-type: none"> • The possible economical, ecological and social impact of the forest operations, including its surroundings. Harvesting plans can be changed to avoid negative impacts; • The quality of the management (by the land owner) prior to harvesting and regeneration plan; • Specific Plans for Forest Intervention (PEIF) are studied for specific measures for the intervention on forest areas with major biotic problems (e.g.: invasive species, plagues or diseases) or abiotic (e.g.: high risk of forest fire); • Potential impacts of operations on ecosystems and biodiversity are identified. Impacts inside and outside the area of operation are considered, for example downstream; • Impacts are monitored and monitoring results are used to improve operational practices. <p>Indicators 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2 include relevant management measures which are checked.</p> |
| 2.2.2 | <i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).</i> |
| Mitigation measures | <p>Before harvesting operations commence the plot is visited and evaluated.</p> <p>Best forestry practices apply:</p> <ul style="list-style-type: none"> • Were needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha are planned; |

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| | <ul style="list-style-type: none"> • Regeneration focusses on tree species that maintain or improve soil quality; • Leave nutrients in the forests, mainly the green fraction of forest residues less or equal to 3 cm (on the other hand other forest residues need to be cleared to prevent forest fires. • Do not operate near-water areas • Fertilization of the ground, when needed and possible. |
| <p>2.2.3 2.2.4</p> | <p>The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).</p> <p>The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).</p> |
| <p>Mitigation measures</p> | <ul style="list-style-type: none"> • Training of suppliers, assessing and selecting ‘SBE approved’ suppliers; • Desk assessment (before harvesting operations commence) of key ecosystems and habitats: <ul style="list-style-type: none"> ○ All classified areas: <ul style="list-style-type: none"> - National Network of Protected Areas; - Special Areas of Conservation (SAC); - Special Protection Areas (SPA); - Ramsar sites; - Important Bird Areas (IBA); ○ Priority habitats in Natura 2000 network; ○ Areas where threatened species occur; ○ Areas where endemic species of the Iberian Peninsula occur; ○ Areas where seasonal concentrations of species occur; ○ Large landscape level forests; ○ Important areas for watershed protection; • Forest plot inspection prior harvesting; • Mapping of the harvesting plot, indicating key ecosystems, habitats and objects of importance to biodiversity; making photos prior to harvesting. • Best forestry practices, including measures to conserve and increase biodiversity (for example, standing dead wood). • Change of operational plan, if necessary; • Enermontijo keeps records of field inspections and continuously evaluates the results of the feedstock suppliers. |
| <p>2.2.6</p> | <p><i>The Biomass Producer has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimized (CPET S5b).</i></p> |
| <p>Mitigation measures</p> | <ul style="list-style-type: none"> • Desk assessment (before harvesting operations commence) of Important areas for watershed protection <ul style="list-style-type: none"> ○ Cork oak and holm oak savannas located in areas with an aquifer recharge rate of over 175 mm/year ○ Aquifers • The plots and the surroundings (hill slopes and streams) are inspected on: <ul style="list-style-type: none"> ○ Runoff problems (regarding the landscape, onsite and in the surroundings); ○ Groundwater level problems (too high or too low); ○ Protection of riversides and (lake) coastlines; • In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha; |

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| | <ul style="list-style-type: none"> • Best forestry practices; Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water runoff; Runoff of elements of fertilizers and pesticides into the surrounding environment; • Enermontijo monitors the harvesting operations of its feedstock suppliers. These best practices are required to comply with the SBE program requirements. |
| 2.3.2 | <i>Adequate training is provided for all personnel, including employees and contractors (CPET S6d).</i> |
| Mitigation measures | <ul style="list-style-type: none"> • Training records obligatory according to legislation and records of qualification are collected during supplier qualification process and checked during supplier inspections; • Training conducted by Enermontijo in several fields, including identification of key ecosystems, habitats and species biodiversity (annually and additionally based on the results of the plot assessments); • Training on best forest management practices. • Enermontijo performs supplier inspections: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits. |
| 2.4.2 Forest fires | The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b). |
| Mitigation measures | <p>Specified risk is assessed on the fire management at forest level. Visual inspection of the plot before harvesting (checklists). Checked is if the plot was managed well on fire protection in the past, if not, the feedstock is not considered compliant.</p> <ul style="list-style-type: none"> • Investigation of PMDFCI (Municipal Forest Fire Protection, Municipal de Defesa da Floresta Contra Incêndios); • Visual inspection of the plot before harvesting; • Implementation of forest fire fighting measures according to law; • Best forest practices; • Monitoring performance by Enermontijo. <p>Thinning activities and use of end of life timber by Enermontijo has a positive effect on mitigating the risk of forest fires.</p> |
| 2.6.1 | <i>Appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.</i> |
| Mitigation measures | <ul style="list-style-type: none"> • Enermontijo actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before the harvesting operations commence (or not to buy from the disputed plots). • Enermontijo makes clear to employees and stakeholders that any complaint or comment related to feedstock supply is taken very seriously, to ensure sufficient performance on legality and social aspects of Sustainable Forest Management. • Enermontijo has a complaint procedure and keeps records. The feedstock suppliers are also required (signed supplier declaration) to actively implement a complaint procedure and keep records. • Enermontijo monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. Proactive interviews with relevant stakeholders, such as land owners on submitted comments (orally and in writing), and assessment if complaints were dealt with sufficiently. |

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| | <ul style="list-style-type: none"> The results of the inspections of Enermontijo have direct influence on the ‘SBE program approved’ status of feedstock suppliers. |
| 2.8.1 | <i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).</i> |
| Mitigation measures | <p>Enermontijo has a control system and adequate procedures on the health and safety of forest workers. Enermontijo demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring (administrative and field) inspections.</p> <ul style="list-style-type: none"> Supplier qualification process and inspections of the supplier’s administration: <ul style="list-style-type: none"> Insurances and aptitude forms; Social Security; Present workforce and training (new) personnel; Health and safety procedures; Training records and hiring of specialists; Records of Personal Protection Equipment (PPE) distribution; Records of machinery safety tools and equipment on documental register; Medical record for employment. Field inspection supplier: <ul style="list-style-type: none"> Protective equipment use; Medical kit; Fire extinguisher; Respect of safety distances; Level of knowledge of personnel. |
| 2.9.1 | <i>Feedstock is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.</i> |
| Mitigation measures | <p>Wood from forests converted to plantations, as also wood lands that are converted to non-forest use are not considered SBP compliant. See also indicator 2.1.3.</p> <p>Wood from forests which are not managed according to best practices and which do not safeguard the carbon stocks above (regeneration of forests) and in the ground (degradation of grounds) are not considered SBP compliant See also indicator 2.2.2. Non-compliance with this indicator can also result in not procuring the feedstock.</p> <ul style="list-style-type: none"> Desk assessment, monitoring, and identification – High-risk and “Important areas for carbon storage”; Field inspections and possible adaptations of forest management plans; Limitation of harvesting operations on “Important areas for carbon storage”. |
| 1.2.1 | <i>The Biomass Producer has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base</i> |
| for areas without | Procedure for evaluating legality of ownership: |

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| <p>cadastral data</p> <p>Mitigation measures</p> | <pre> graph TD A[Cadastral data] -- Yes --> E[Accepted] A -- No --> B[Proof of ownership provided by supplier (standard procedure)] B -- Yes --> E B -- No --> C[Phone seller, ask for proof of ownership] C -- Submitting --> E C -- Not submitting --> D[Interview with seller Establish the reason of not sending proof Standard list of questions covering: inheritance, family members, last document of proof, unregistered activities, etc Evaluation situation, risk assessment Discuss with harvesting company, check their Economic Operator Registration (store the results)] D -- Credible --> E D -- Not credible --> F[Interviews with other stakeholders, family members, local residents, or get proof of ownership at local Finances] F -- Confirmed --> E F -- Not confirmed --> G[Unaccepted] </pre> |
| <p>2.1.1</p> | <p><i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.</i></p> |
| <p>HCV 1 & 3</p> | <p>The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. All used material is traceable to its origin through the harvest manifests and transport guides. All suppliers have to comply with the laws in force, which are supervised by</p> |

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| <p>Mitigation measures</p> | <p>the Tax Authority and the ICNF (Please see the file ‘Plano Regional de Ordenamento Florestal’ ‘Documentation point 4 ‘cartografia síntese’ (ICNF) for each region). Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity, or classified as priority species’ habitats.</p> <p>Futerra identifies and maps areas with high conservation values (HCVs) before the harvest comences. HCV 1 and 3 were assessed to have a specified risk. Extra effort is needed to identify and map these values in practice on paper, regarding the forest plot. Internet sources, as well as the local situation needs to be studied.</p> <p>Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity or classified as priority species’ habitats. Habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports.</p> <p>Futerra ensures:</p> <ul style="list-style-type: none"> • Mapping of the harvesting plot; • Harvesting according to best practices in sustainable forest management; • Cleaning of waste from plantations; • Tree species (no genetically modified trees). <p>Steps taken:</p> <ul style="list-style-type: none"> • Study publicly available sources (internet sites) and other information regarding the plots were harvesting operations are planned and their surroundings; • Inform feedstock suppliers on found results regarding possible risks in front; • Onsite assessment of the plots and their surroundings prior to harvesting, measures are taken for example, when habitats are found; • Development of adaptions to the harvesting plans, if needed. <p>Below the main sources of information, used to prepare the identification of these values for our harvesting teams. The forestry specialist evaluate every plot before the harvesting operations begins. Futerra inspects the suppliers and harvesting areas.</p> <p>HCV 1 – Species diversity</p> <p>There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm species diversity. Species diversity is evaluated and recorded before harvesting operations commence. Caution and best practises are applied. Special attention is given to the National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity Areas (IBAs). See also below, indicator 2.2.4</p> <p><i>Some information sources:</i></p> <ul style="list-style-type: none"> ➤ Classified areas: http://www.icnf.pt/portal/naturaclas/cart ➤ Protected area plans: http://www.icnf.pt/portal/naturaclas/ordgest/poap ➤ Endangered species: http://www.icnf.pt/portal/naturaclas/patrinatur/especies ➤ Endemic species: http://naturdata.com/index.php?option=com_content&view=article&id=78&Itemid=60 |
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| | <ul style="list-style-type: none"> ➤ Digital mapping information from the Manual das Linhas Eléctricas [Manual of Electric Lines] (ICNB 2008) ➤ Important Bird Areas of Portugal at: http://ibas-terrestres.spea.pt/ ➤ Regional Forest Plans (PROF): http://www.icnf.pt/portal/florestas/profs <p>HCV 3 – Ecosystems and habitats</p> <p>There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm ecosystems and habitats. In these situations, Futerra demands to evaluate the environmental impacts (on Ecosystems and habitats) of the forest operations before the forest operations commence. Caution and best practises are applied. See also below, indicator 2.2.3.</p> <p><i>Some information sources:</i></p> <ul style="list-style-type: none"> ➤ Habitats Directive (2007-2012) ➤ Rede Natura 2000 database: http://www.icnf.pt/portal/naturaclas/rn2000 ➤ Important Bird Areas of Portugal at: http://ibas-terrestres.spea.pt/ ➤ Convention on Biological Diversity (CBD) via DL no. 21/93, dated 29 June. |
| <p>2.1.2</p> | <p><i>The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.</i></p> |
| <p>HCV 1 & 3</p> <p>Mitigation measures</p> | <p>There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm species diversity, ecosystems and habitats. Species diversity is evaluated and recorded before harvesting operations commence. Special attention is given to the National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity Areas (IBAs).</p> <p>Futerra identifies and addresses potential threats to forests and other areas with high conservation values (HCVs). The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas and biotopes important to biodiversity, which can be classified as priority species’ habitats.</p> <p>Steps taken:</p> <ul style="list-style-type: none"> • Assessment, evaluation and ‘SBE approval’ of suppliers • Desk Assessment of possible impacts of harvesting operations, regarding Publicly available information from credible third parties; • Training of suppliers on identification of forests with HCVs, and methods to protect HCVs; • Identification and mapping of protected species, habitats and key ecosystems on the plot before harvesting; • Development of adaptations to the harvesting plans, if needed; • Harvesting according to best practices in sustainable forest management; <p>See also below, indicator 2.2.4 and indicator 2.2.3.</p> |
| <p>2.1.3</p> | <p><i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.</i></p> |
| <p>Mitigation measures</p> | <p>Futerra considers all pine stands as forests and eucalyptus and poplar stands as plantations. Futerra checks if forests have been changed to eucalyptus or poplar plantations after 2008.</p> |

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| | <p>When forest is converted to agricultural land or a plantation, or when land use change (conversion) is planned, the feedstock is not categorized as SBP compliant.</p> <p>When a eucalyptus or poplar plantation are cut, the history of the plantation is investigated:</p> <ul style="list-style-type: none"> • The year of conversion to plantation (if it was converted after 2008). If needed, interviews with stakeholders and residents are taken and the plot is searched for tree stumps. • Was it a forest before being converted to plantation? <p>This is dealt with in the Feedstock Supplier Declaration and addressed in the field operations checklist.</p> |
| <p>2.2.1</p> | <p><i>The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.</i></p> |
| <p>Mitigation measures</p> | <p>In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification), or a plan is available but does not apply to a small holder, an additional assessment of environmental impacts is made and recorded before harvest. Special attention is given to plots smaller than the minimum threshold for the mandatory Forest Management Plan (PROF) and outside the SNAC.</p> <p>Before harvesting operations commence, the plot is visited and evaluated:</p> <ul style="list-style-type: none"> • The possible economical, ecological and social impact of the forest operations, including its surroundings. Harvesting plans can be changed to avoid negative impacts; • Was the forest management conform the law in the past (has the forest been cleaned according to the law in the past); • Specific Plans for Forest Intervention (PEIF) are studied for specific measures for the intervention on forest areas with major biotic problems (e.g.: invasive species, plagues or diseases) or abiotic (e.g.: high risk of forest fire); • Potential impacts of operations on ecosystems and biodiversity are identified. Impacts inside and outside the area of operation are considered, for example downstream; • Impacts are monitored and monitoring results are used to improve operational practices. <p>Indicators 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2 include relevant management measures which are checked.</p> |

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| <p>2.2.2</p> | <p><i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).</i></p> |
| <p>Mitigation measures</p> | <p>Before harvesting operations commence the plot is evaluated. Best forestry practises are applied.</p> <p>Best forestry practices apply:</p> <ul style="list-style-type: none"> • Were needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha are planned; • Regeneration focusses on tree species that maintain or improve soil quality; • Leave nutrients in the forests, mainly the green fraction of forest residues less or equal to 3 cm (on the other hand other forest residues need to be cleared to prevent forest fires. • Do not operate near-water areas. • Fertilization of the ground, when needed and possible. <p>On dry locations selective cuttings are often preferable, because the ground gets less direct impact of the sun and the forest can maintain soil quality and regenerate naturally.</p> <p>Poor soil quality can lead to erosion and other problems. Therefore, this indicator is related to indicator 2.2.6.</p> |
| <p>2.2.3 & 2.2.4</p> | <p><i>The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b). & The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).</i></p> |
| <p>Mitigation measures</p> | <p>Futerra prepares (publicly available) data on ecosystems and habitats (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats). This information is given to all feedstock suppliers. Feedstock suppliers are trained to recognise key ecosystems and habitats.</p> <p>Steps in risk mitigation:</p> <ul style="list-style-type: none"> • Training of suppliers, assessing and selecting ‘SBE approved’ suppliers; • Desk assessment (before harvesting operations commence) of key ecosystems and habitats: <ul style="list-style-type: none"> ○ All classified areas: <ul style="list-style-type: none"> - National Network of Protected Areas; - Special Areas of Conservation (SAC); - Special Protection Areas (SPA); - Ramsar sites; - Important Bird Areas (IBA); ○ Priority habitats in Natura 2000 network; ○ Areas where threatened species occur; ○ Areas where endemic species of the Iberian Peninsula occur; ○ Areas where seasonal concentrations of species occur; ○ Large landscape level forests; ○ Important areas for watershed protection; • Forest plot inspection prior harvesting; • Mapping of the harvesting plot, indicating key ecosystems, habitats and objects of importance to biodiversity; making photos prior to harvesting. • Best forestry practices, including measures to conserve and increase biodiversity (for example, standing dead wood). • Change of operational plan, if necessary. |

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| 2.2.6 | <i>The Biomass Producer has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).</i> |
| Mitigation measures | <p>Futerra monitors the harvesting operations of its feedstock suppliers. Best practices are required to comply with the SBE program requirements.</p> <ul style="list-style-type: none"> • Desk assessment (before harvesting operations commence) of Important areas for watershed protection <ul style="list-style-type: none"> ○ Cork oak and holm oak savannas located in areas with an aquifer recharge rate of over 175 mm/year ○ Aquifers • The plots and the surroundings (hill slopes and streams) are inspected on: <ul style="list-style-type: none"> ○ Runoff problems (regarding the landscape, onsite and in the surroundings); ○ Groundwater level problems (too high or too low); ○ Protection of riversides and (lake) coastlines; • In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha; • Best forestry practices; Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water runoff; Runoff of elements of fertilizers and pesticides into the surrounding environment. |
| 2.3.2 | <i>Adequate training is provided for all personnel, including employees and contractors (CPET S6d).</i> |
| Mitigation measures | <p>Futerra trains its personnel on all relevant aspects and demands the same from its feedstock suppliers.</p> <ul style="list-style-type: none"> • Training records obligatory according to legislation and records of qualification are collected during supplier qualification process and checked during supplier inspections; • Training conducted by Futerra in several fields, including identification of key ecosystems, habitats and species biodiversity (annually and additionally based on the results of the plot assessments); • Training on best forest management practices. • Futerra performs supplier inspections: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits. |
| 2.4.2 | <i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).</i> |
| Fire fighting Mitigation measures | <p>On the above information specified risk is assessed on the fire management at forest level. Visual inspection of the plot before harvesting (checklists). Checked is if the plot was managed well on fire protection in the past.</p> <ul style="list-style-type: none"> • Investigation of PMDFCI (Municipal Forest Fire Protection, Municipal de Defesa da Floresta Contra Incêndios); • Visual inspection of the plot before harvesting; • Implementation of forest fire fighting measures according to law; • Best forest practices; • Monitoring performance. |
| 2.6.1 | <i>Appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.</i> |
| Mitigation measures | <p>Such mechanisms play an important function as a safety net for sufficient performance on social and cultural aspects of Sustainable Forest Management and in complying with other indicators of SBP standard 1.</p> <ul style="list-style-type: none"> • The aim is to solve grievances and disputes before the harvesting operations commence (or not to buy from the disputed plots). |

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| | <ul style="list-style-type: none"> • Futerra makes clear to employees and stakeholders that any complaint or comment related to feedstock supply is taken very seriously, to ensure sufficient performance on legality and social aspects of Sustainable Forest Management. • Futerra has a complaint procedure and keeps records. The feedstock suppliers are also required (signed supplier declaration) to actively implement a complaint procedure and keep records. • Futerra monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. Proactive interviews with relevant stakeholders, such as land owners on submitted comments (orally and in writing), and assesses if complaints were dealt with sufficiently. • The results of the inspections have direct influence on the 'SBE program approved' status of feedstock suppliers. |
| <p>2.8.1</p> | <p><i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).</i></p> |
| <p>Mitigation measures</p> | <p>Futerra has a control system and adequate procedures on the health and safety of forest workers. Futerra demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring (administrative and field) inspections.</p> <ul style="list-style-type: none"> • Supplier qualification process and inspections of the supplier's administration: <ul style="list-style-type: none"> ○ Insurances and aptitude forms; ○ Social Security; ○ Present workforce and training (new) personnel; ○ Health and safety procedures; ○ Training records and hiring of specialists; ○ Records of Personal Protection Equipment (PPE) distribution; ○ Records of machinery safety tools and equipment on documental register; ○ Medical record for employment. • Field inspection supplier: <ul style="list-style-type: none"> ○ Protective equipment use; ○ Medical kit; ○ Fire extinguisher; ○ Respect of safety distances; • Level of knowledge of personnel. |
| <p>2.9.1</p> | <p><i>Feedstock is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.</i></p> |
| <p>Mitigation measures</p> | <p>Wood from forests converted to plantations, as also wood lands that are converted to non-forest use are not considered SBP compliant.</p> <p>Wood from forests which are not managed according to best practices and which do not safeguard the carbon stocks above (regeneration of forests) and in the ground (degradation of grounds) are not considered SBP compliant. See also indicator 2.2.2. Non-compliance with this indicator can also result in not procuring the feedstock.</p> <ul style="list-style-type: none"> • Desk assessment, monitoring, and identification – High-risk and 'Important areas for carbon storage'; • Field inspections and possible adaptations of forest management plans; • Limitation of harvesting operations on 'Important areas for carbon storage'. <p>See also indicator 2.1.3.</p> |

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

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| NC number 2018-01 | NC Grading: Minor |
| Standard & Requirement: | Standard 1, 2.8.1 The BP has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12). Examples of means of verification: <ul style="list-style-type: none"> • Existing legislation • Course curricula from safety trainings • Training records • PPE available to workers at job sites • Records of BPs' field inspections • Safety risk assessments • Interviews with staff |
| Description of Non-conformance and Related Evidence: | |
| It was verified that at the harvesting site Herdade da Figueiras none of the workers of the supplier C. Lúcio - Madeiras & Cortiças Lda wore required PPEs | |
| Timeline for Conformance: | By the next surveillance audit, but no later than 12 months from report finalisation date |
| Evidence Provided by Company to close NC: | The supplier was informed in advance that they will not be qualified as a supplier of SBP-compliant bio-mass. However, all PPE was left on the previous harvesting site due to logistic reasons. At the time of the audit the supplier was not yet compliant with SBP Qualification of suppliers program and was not been able to be qualified during the site visit. That was in line with the implemented Qualification of suppliers |

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| | program. The supplier is not qualified as supplier of SBP-compliant biomass. The other suppliers are checked for health and safety during work on every harvesting plot where potentially Enermontijo could source SBP-compliant biomass. In case of failure to fulfil Health and Safety rules, the supplier will be disqualified from being able to supply SBP-compliant feedstock |
| Findings for Evaluation of Evidence: | The supplier is not qualified as supplier of SBP-compliant biomass and does not supply any feedstock to Enermontijo. |
| NC Status: | Closed |

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| NC number 2018-02 | NC Grading: Major |
| Standard & Requirement: | Standard 2, 15.3 The BP management system shall document all necessary procedures.. |
| Description of Non-conformance and Related Evidence: | |
| Some, but not all necessary procedures are documented in the Manual da Cadeia de Responsabilidade chapter 15. For example, it was verified that none of the procedures for verifying origin of feedstock as mentioned in Std, 2 sec. 6 are listed. 3rd surveillance audit 2019: It remains unclear as all documents that are in EM. Internal Document Codes 072019 are not in point 15 of the manual. Eg Supplier Qualification and Control EM062. Upgraded to major NC. | |
| Timeline for Conformance: | 3 months from the report finalisation |
| Evidence Provided by Company to close NC: | Formalization and listing of Procedure on legality and origin of raw material in Manual da Cadeia de Responsabilidade chapter 15. |
| Findings for Evaluation of Evidence: | It remains unclear as all documents that are in EM. Internal Document Codes 072019 are not in point 15 of the manual. Eg Supplier Qualification and Control EM062. Upgraded to Major NC |
| NC Status: | Open |
| NC number 2018-03 | NC Grading: Major |
| Standard & Requirement: | Standard 2, 15.4 The management system shall identify the personnel responsible for implementing systems and procedures. |
| Description of Non-conformance and Related Evidence: | |
| Some, but not all responsibilities are documented in the Manual da Cadeia de Responsabilidade chapter 14. For example, it was verified that none of the responsibilities for verifying origin of feedstock as mentioned in Std, 2 sec. 6 are listed. | |
| Timeline for Conformance: | 3 months from the report finalisation |

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| Evidence Provided by Company to close NC: | Manual CdR, ch. 14 updated to identify that RQS is responsible for execution of Procedure on legality and origin of raw material. |
| Findings for Evaluation of Evidence: | The responsible for monitoring in addition to the person responsible for Quality should be identified as monitoring is carried out by Biopower. Upgraded to major NC. |
| NC Status: | Open |

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| NC number 2018-04 | NC Grading: Minor |
| Standard & Requirement: | Standard 2, 15.6 The BP shall implement a management review system, which has the authority to make appropriate improvements to the management system. |
| Description of Non-conformance and Related Evidence: | |
| The requirement for a management review is defined in the Manual da Cadeia de Responsabilidade, sec 13. According to interview a management review was done but no records of it exist. The company shall ensure to document the management reviews. | |
| Timeline for Conformance: | By the next surveillance audit, but no later than 12 months from report finalisation date |
| Evidence Provided by Company to close NC: | Since the management of the company includes small amount of people, the management review was done orally. Enermontijo have created a protocol called "Ata de revisão pela direcção" (Management review minutes) to register the outcomes of the review. |
| Findings for Evaluation of Evidence: | Management review was conducted on 17/07/2019. NC closed |
| NC Status: | Closed |
| NC number 2018-05 | NC Grading: Observation |
| Standard & Requirement: | Standard 2, 17.1 The SBE shall be undertaken at least every five years and the SBR reviewed for accuracy and completeness prior to each annual audit. |
| Description of Non-conformance and Related Evidence: | |
| As per the Manual da Cadeia de Responsabilidade, the SBR shall be reviewed for accuracy and completeness prior to each audit but the requirement for the SBE to be undertaken at least every five years is not documented. | |
| Timeline for Conformance: | By the next surveillance audit, but no later than 12 months from report finalisation date |
| Evidence Provided by Company to close NC: | Review of the Manual da Cadeia de Responsabilidade chapter 15 was not completed in a due time, though all of the procedures were executed. |

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| Findings for Evaluation of Evidence: | Manual da Cadeia de Responsabilidade chapter 15 is updated with requirement to review the SBE every 5 years . OBS closed |
| NC Status: | Closed |

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| NC number 2018-06 | NC Grading: Observation |
| Standard & Requirement: | Standard 2, 20.2 The BP shall inform SBP of any substantiated complaints within 30 days of the completion of the BP's analysis of the complaint. |
| Description of Non-conformance and Related Evidence: | |
| Comments and complaints procedure is defined in chapter 10 of the Manual da Cadeia de Responsabilidade. The requirement to inform SBP of any substantiated complaints within 30 days of the completion of the BP's analysis of the complaint is not defined. | |
| Timeline for Conformance: | By the next surveillance audit, but no later than 12 months from report finalisation date |
| Evidence Provided by Company to close NC: | Review of the Manual da Cadeia de Responsabilidade chapter 10 was not completed in a due time, but now it is updated with the requirement. |
| Findings for Evaluation of Evidence: | Manual da Cadeia de Responsabilidade chapter 10 is updated with the requirement to inform SBP of any substantiated complaints within 30 days. OBS closed |
| NC Status: | Closed |
| NC number 2018-07 | NC Grading: Minor |
| Standard & Requirement: | Standard 4, 5.2.2 Only the following feedstock inputs shall be considered to be SBP-compliant feedstock• Feedstock received with an SBP-approved Forest Management Scheme Claim or SBP-approved recycled claim. • Feedstock sourced from within the BP's defined Supply Base (SB) and for which a valid Supply Base Evaluation (SBE) has determined that all the indicators in the SBP Feedstock Compliant Standard are low risk. • Feedstock sourced within the scope of the BP's own SBP-approved Chain of Custody (CoC) System certification, for example, non-certified reclaimed feedstock sourced in compliance with FSC-STD-40-007: FSC Standard for Sourcing Reclaimed Material for Use in FSC. • Post-consumer tertiary feedstock sourced following the requirements of Instruction Note 4A, SBP tertiary feedstock requirements. |
| Description of Non-conformance and Related Evidence: | |
| 'EM.Conta de Creditos.xls and the Sistema de Controlo de Entrada de Materia Prima registers incoming feedstock by claim but does not have a column or tab for SBP compliant. | |
| Timeline for Conformance: | By the next surveillance audit, but no later than 12 months from report finalisation date |
| Evidence Provided by Company to close NC: | According to the internal procedures, the feedstock can be SBP-compliant when it's coming from qualified supplier and from the |

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| | <p>harvesting area where all SBP requirement are fulfilled. RQS checks all harvesting plots and have records of the names of the properties, where SBP-compliant feedstock is coming from. These names could be found in the Sistema de Controlo de Entrada de Materia Prima and the volumes from there are introduced in EM.Conta de Creditos.xls. However, for clarity, the column for SBP-compliant feedstock is added in the Sistema de Controlo de Entrada de Materia Prima and EM.Conta de Creditos.xls is updated</p> |
| <p>Findings for Evaluation of Evidence:</p> | <p>The column for SBP-compliant feedstock is added in the Sistema de Controlo de Entrada de Materia Prima and EM.Conta de Creditos.xls is updated. NC closed</p> |
| <p>NC Status:</p> | <p>Closed</p> |

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| NC number 2018-08 | NC Grading: Observation |
| Standard & Requirement: | Standard 5, 7.1 The BP shall categorise the feedstock into one or more Product Groups. Details of the product groups are found in Instruction Document 5A: Collection and Communication of Data. |
| Description of Non-conformance and Related Evidence: | |
| Feedstock groups are introduced in BARBAL data software. Collection and Communication of Data Version 1.2 March 2018, SAR. The table in CDR Manual has 13 categorised feedstocks but in SAR there are only 8 feedstock ID's. | |
| Timeline for Conformance: | By the next surveillance audit, but no later than 12 months from report finalisation date |
| Evidence Provided by Company to close NC: | The table in CDR Manual that has 13 categorised feedstock was removed from the CDR Manual since it was relevant from the previous reporting period. |
| Findings for Evaluation of Evidence: | The table is removed and OBS closed. |
| NC Status: | Closed |
| NC number 2018-09 | NC Grading: Minor |
| Standard & Requirement: | Standard 5, instruction document 5A, 3.2.1. Once allocated, the Energy, GHG and Static Biomass Profiling data, and Dynamic Batch Sustainability Data of a Production Batch shall not be changed. |
| Description of Non-conformance and Related Evidence: | |
| Enermontijo is a BP who will send the required information as per Instruction Document 5A to the next in the CoC chain, according to interview and as written in the FSC Chain of Custody and SBP manual. The definition of batch it's not defined in the organizations Manual. | |
| Timeline for Conformance: | By the next surveillance audit, but no later than 12 months from report finalisation date |
| Evidence Provided by Company to close NC: | The definition of the batch is provided in cl.5 of Instruction Note 5A: Glossary of relevant terms. It was also mentioned in the CdR Manual : O lote de produção é considerado idêntico em termos de energia e gases de efeito estufa, Static Biomass Profiling Data e Dynamic Batch Sustainability. More elaborate explanation was added: For each reporting period Production batches with Unique Static Biomass Profiling Data and Dynamic Batch Sustainability Data are allocated according to sales points. The cause of NC is that RQS understands the meaning of production batch and the explanation from the Glossary was enough to manage the system in a correct way. However, to |

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| | prevent unclearness in the future, more elaborate explanation was added. |
| Findings for Evaluation of Evidence: | Manual CdR, ch. 7.3 Vendas is updated with and definition of a batch. NC closed. |
| NC Status: | Closed |

11 Certification decision

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| Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken: | |
| Certification decision: | Certification approved |
| Certification decision by (name of the person): | Hubert Jurczynszyn |
| Date of decision: | 30/Oct/2019 |
| Other comments: | Maintained as long as major ncs are closed on time. |