

SBP

Sustainable Biomass Partnership

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

First Surveillance Audit

www.sustainablebiomasspartnership.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.sustainablebiomasspartnership.org*

Document history

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1 Overview

CB Name and contact: NEPCon, 28001

Primary contact for SBP: Ondrej Tarabus, ot@nepcon.org

Report completion date: 22/Jun/2017

Report authors: Pilar Gorriá

Certificate Holder: Glowood, Indústria S.A. Parque Empresarial, Lote 11. Expansão 1, CP. 7555-213. Portugal

Producer contact for SBP: Natércia Carvalho, ncarvalho@glowood.pt, +351 269 949 393

Certified Supply Base: Portugal continental

SBP Certificate Code: SBP-01-30

Date of certificate issue: 18/Aug/2016

Date of certificate expiry: 18/Aug/2021

| 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 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2 Scope of the evaluation and SBP certificate

The certificate scope covers the office and production site in Cercal do Alentejo. Portugal.

The Organisation holds a valid FSC Chain of Custody certificate with FSC Controlled wood in the scope. The FSC certificate contains the pellets production activity.

The Organisation is sourcing primary and secondary feedstock from external suppliers.

Secondary feedstock: sawdust and sawmill residues is used for the pellet production. Branch wood and forest residues with low quality that can't be used for production purposes are also used for the drier.

Tertiary feedstock is not used in the biomass producer.

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

Description of the scope: Production of wood pellets, for use in energy production, at Glowood Indústria SA and transportation to Sines Port. The scope of the certificate does not include Supply Base Evaluation.

| Scope Item | Check all that apply to the Certificate Scope | | | | Change in Scope (N/A for Assessments) |
|-----------------------------------|---|---|------------------------------|------------------------------|--|
| Approved Standards: | SBP Standard #2 V1.0 SBP Standard #4 V1.0 SBP Standard #5 V1.0 http://www.sustainablebiomasspartnership.org/documents | | | | <input type="checkbox"/> |
| Primary Activity: | Pellet producer | | | | <input type="checkbox"/> |
| Input Material Categories: | <input checked="" type="checkbox"/> SBP-Compliant Primary Feedstock | <input checked="" type="checkbox"/> SBP-Compliant Secondary Feedstock | | | <input type="checkbox"/> |
| | <input checked="" type="checkbox"/> Controlled Feedstock | <input type="checkbox"/> SBP non-Compliant Feedstock | | | |
| | <input type="checkbox"/> SBP-Compliant Tertiary biomass | <input type="checkbox"/> Post-consumer Tertiary Feedstock | | | |
| | <input type="checkbox"/> SBP-approved Recycled Claim | <input type="checkbox"/> Post-consumer Tertiary Feedstock | | | |
| | <input checked="" type="checkbox"/> FSC | <input type="checkbox"/> PEFC | <input type="checkbox"/> SFI | <input type="checkbox"/> GGL | <input type="checkbox"/> |

| | | | | |
|--|---|---|--|--------------------------|
| Chain of custody system implemented: | <input type="checkbox"/> Transfer | <input type="checkbox"/> Percentage | <input checked="" type="checkbox"/> Credit | <input type="checkbox"/> |
| Points of sales | <input type="checkbox"/> Harbour – Permanent storage (Storage site) | <input checked="" type="checkbox"/> Harbour – Temporarily storage (Logistic site) | <input type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.) | <input type="checkbox"/> |
| Provide name of all points of sales | | - Sines Harbour | | |
| Use of SBP claim: | <input checked="" type="checkbox"/> Yes | | <input type="checkbox"/> No | <input type="checkbox"/> |
| SBE Verification Program: | <input type="checkbox"/> Low risk sources only | <input type="checkbox"/> Sources with unspecified/ specified risk | | <input type="checkbox"/> |
| | New districts approved for SBP-Compliant inputs: | | | |
| Sub-scopes | | | | <input type="checkbox"/> |
| Specify SBP Product Groups added or removed: | | | | |
| Comments: | | | | |

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production site visit;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients; and
- SAR and profiling data collection analysis.

4 SBP Standards utilised

4.1 SBP Standards utilised

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

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

Collection and Communication of Data, SBP Standard 5, Version 1.1, March 2015

Instruction-Document-5A-Collection-and-Communication-of-Data-v1-1-Oct16

Instruction-Document-5B-Energy-and-GHG-Data-v1-1-Oct16

Instruction-Document-5C-Static-Biomass-Profiling-v1-1-Oct16

<http://www.sustainablebiomasspartnership.org/documents>

4.2 SBP-endorsed Regional Risk Assessment

Not applicable.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Glowood – Industria, SA was founded in May 2011 with the support of IAPMEI through the POalentejo program. Dedicated to the production and marketing of pellets, with strong commitment to the foreign market, since more than 90% of the production is for export.

BP purchases logs, chips and sawdust for primary production. Species are mainly pine (*Pinus pinaster* and *Pinus pinea*).

For the drying process, in addition to pine biomass (small logs, bark, waste and leftover), the BP also use small roundwood and leftovers of Eucalyptus (*Eucalyptus* spp.) and rarely poplar (*Populus* spp), acacia (*Acacia* spp) and Ash (*Fraxinus angustifolia*).

All incoming feedstock is either FSC certified, FSC Controlled or controlled according to the existing FSC Controlled wood verification program. FSC Controlled wood verification program is applicable for feedstock originating from Portugal continental. Origin information at FMU level (forestry) is available on the delivery documents.

The BP is implementing FSC credit system. Biomass is transported by truck and is sold at Sines Port. Transport responsibility is hold by the customer from Sines Port under incoterms conditions FOB.

5.2 Description of Biomass Producer's Supply Base

All wood comes from forested areas of Portugal, mainly from the districts of Setúbal, Beja, Évora, Lisbon, Portalegre, Santarém, Castelo Branco, Faro, Leiria and Coimbra. Supply base analysis has not been modified since the first evaluation in 2016.

The primary material (logs, harvesting waste and other forest waste mainly branches from pruning of umbrella pine) is supplied by approximately 40 small and medium companies which are made aware of and controlled in order to obtain the necessary information about the origin of the management unit, with a compromise stated to that effect.

Portugal has about 9.8 million inhabitants and 8.7 million hectares.

According to preliminary data from the latest National Forest Inventory, 2013 (IFN6 - Areas of land use and forest species in mainland Portugal in 1995, 2005 and 2010), the forest land use is the dominant use of the mainland. The Portuguese forest occupies 3.2 million hectares, which corresponds to 35.4% of the country, one of the largest proportions of forested areas of Europe.

From the total forest land the main forest correspond with Eucalyptus forest (26%) followed by cork (23%). The pine forest is distributed throughout the with Maritime Pine occupying 23% of the forest area of the mainland, mostly located in small areas and Umbrella Pine occupying 6% of the total forest area of continental Portugal, with its main distribution in the south of the country.

Maritime Pine (*Pinus pinaster*) forests are usually managed in stands of trees, generally of seed or seedling origin, that usually develop a high closed canopy, and can be managed using natural regeneration or by sowing or planting. In Umbrella Pine (*Pinus pinea*) silviculture, management is oriented to cone production, the trees should grow in favourable light and ventilation, in order to develop large canopies that favour the production of pine cones.

Over the period 1995-2010 the forest areas exhibited a decrease of 4.6%, corresponding to a net loss rate of 0.3% / year (10 mil ha / year). The net decrease of forest areas (-150,611 ha) is mainly due to conversion to the land use class "brush and pastures." In addition to this conversion, significant amount of forested land was converted to urban use between 1995 and 2010 (28 000 ha). Additional information about this evolution, risk and facts connected with the supply base are detailed in the SBR.

5.3 Detailed description of Supply Base

- a. Total Supply Base area: 3,2 million ha
- b. Tenure by type:
 - Privately owned: 2,8 million ha
 - Public: 442,400 ha
- c. Forest by type:
 - Temperate: 3,2 million ha
- d. Forest by management type:
 - Plantation: 891.000 ha
 - Natural regeneration: 2.267.000 ha
- e. Certified forest by scheme:
 - FSC: 364.987 ha
 - PEFC: 255.335 ha

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

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody with FSC Controlled wood in the scope of the certificate. Critical control points of the FSC CoC system were evaluated also during SBP audit.

The Organisation has implemented FSC credit system. All the input materials are received either with FSC certified claim, FSC Controlled wood claim or the material is covered by organisation's own Controlled wood verification system. The Controlled wood system includes only material from Portugal continental. The organization does not use any imported material. Incoming wood reception register and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal system. No physical separation is needed. Based on the credit account management the proportion of the SBP-compliant and SBP-controlled biomass is calculated.

6 Evaluation process

6.1 Timing of evaluation activities

The assessment was carried out on 8th and 9th May 2017. Two days were needed for the onsite audit and two additional days for the documentation review prior the audit

| Activity | Place | Auditor(s) | Data/hora |
|--|-----------------------|------------|--------------------------|
| Opening meeting* | Office, | PGS | 8/05/2017 10.00-10.30 |
| Documents and procedures review: Feedstock Quality documents and SBR FSC & SBP STD | Office, | PGS | 8/05/2017 10:30-12.30 |
| Interview with staff responsible for purchase department FSC & SBP STD | Purchasing department | PGS | 8/05/2017 12:30-13:15 |
| Break | | PGS | 8/05/2017 13:15-14:15 |
| SAR and profiling document review Collection and communication of sustainable data | Office, | PGS | 8/05/2017 14:15-17:45 |
| Internal meeting and feedback from the first audit day. | Office, | PGS | 8/05/2017 17:45-18:15 |
| Opening meeting | Office, | PGS | 9/06/2016 09:00-09:15 |
| SAR and profiling document review Collection and communication of sustainable data (continuation) | Office, | PGS | 9/06/2016 09:15-11:15 |

| | | | |
|---|------------------------|-----|--------------------------------|
| Chain of Custody (visita do site); Interview with staff in charge of reception, processing and storage. FSC & SBP STD | Production unit | PGS | 9/06/2016 11:15 – 13:00 |
| Break | | | 9/06/2016 13:00 – 14:00 |
| Chain of Custody implementation procedures – Specific indicators. Controlled wood standard | Office, | PGS | 9/06/2016 14:00 – 15:30 |
| Interview with staff in charge of sales. Documents and procederures review: Sales | Departamento de Vendas | PGS | 9/06/2016 15:30-16:15 |
| Internal meeting | Office, | PGS | 9/06/2016 16:16 – 16:45 |
| Closing meeting* | Office, | PGS | 9/06/2016 16:45 – 17:15 |
| Estimated end of the evaluation | | | 9/06/2016 17:15 |

6.2 Description of evaluation activities

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

All SBP related documentation connected to the SBP as well as FSC CoC/Controlled sources system of the organisation, including SBP Procedures, GHG related data, Supply Base Reports, were evaluated during the audit.

Auditor was welcomed in Glowood. Audit started with an opening meeting attended by the Quality Manager, the Chief Officer and the external consultant that supported the company in the SBP implementation.

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

After that auditor went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction documents 5a, 5b and 5c covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant and SBP Controlled feedstock/ biomass. During the process overall responsible person for SBP system and as well as other persons having key responsibilities within the system were interviewed.

After that, roundtrip around BP's pellet production was undertaken. During the site tour reception process were observed, applicable records were reviewed, pellet factory staff was interviewed and FSC system critical control points were analysed. During the audit the factory was in a temporary production stop for machinery update purposes. Material reception and storage was active.

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

Composition of audit team:

| Auditor(s), roles | Qualifications |
|------------------------------|---|
| Pilar Gorría Lead auditor | Pilar is a forestry engineer from the University of Madrid. Part of her studies took place at the Forestry Research National Center-BFV in Vienna, where she explored carbon soil emissions in commercially managed forests. He has participated in several FSC FM, FSC CoC, PEFC CoC and Carbon Footprint in Spain and Portugal. |

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 stakeholder consultation was conducted and no comments were received from any stakeholder during the period between audits.

7 Results

7.1 Main strengths and weaknesses

Strengths: The BP has implemented a robust management system and a full set of procedures developed last year were already implemented. Also the BP has increased the % of secondary feedstock with enhance its commitment with pellets environmental sustainability.

Weaknesses: See NCRs and OBSs. From a sustainability perspective, the decision to remove secondary feedstock from production is considered a weakness, see details and justification in this report.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Compilation of data on Greenhouse Gas emissions

The BP meet with GHG emission compilation data. SAR document has been properly developed

7.4 Competency of involved personnel

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

- Natércia Carvalho, Eng^a Amb., Resp. QAS – Quality manager
- Giovanni Alencastro, Eng^o Flor. Cons. Externo
- João Baetas, CEO – Mechanic engineer, CEO

7.5 Stakeholder feedback

Not applicable.

7.6 Preconditions

No preconditions were issued.

8 Review of Biomass Producer's Risk Assessments

Not applicable

9 Review of Biomass Producer's mitigation measures

Not applicable.

10 Non-conformities and observations

| | |
|---|--|
| NCR: 01/17 | NC Classification: minor |
| Standard & Requirement: | SBP Standard # 2 requirement 6.2. |
| Description of Non-conformance and Related Evidence: | |
| <p>In case of secondary feedstock, according to internal procedures and records reviewed during the audit, every 15 days, Glowood select one supplier of secondary feedstock and ask all “manifestos” used in that month for the primary feedstock where the origin at the level of FMU is specified. The internal document “Verificacao de origen de material florestal” is fulfilled with references to all “manifesto” codes which gave rise to the secondary material.</p> <p>During the audit, some internal audits were sampled for revision:</p> <p>The report from Palser (March 2017) included 5 manifestos with origin within the Supply Base and one self-declaration from Palser with a commitment to inform the BP in case the origin of the feedstock used will be different from Portugal. In the same line was reviewed the report from Madeca (December 2016).</p> <p>The other supplier audit sampled Bento acts as trader from 2 sawmills (Cercalserra and Milane Carmo). Manifestos with information at the level of FMU have been provided in case of Cercalsera but only information at the level of the sawmill location have been provided for Milane Carmo. In this last case, there is no enough records of the origin of the secondary material at FMU level as it is requested by the indicator.</p> <p>Based of the scope, impact and occurrence of this lack of information the NCR is classified as minor.</p> | |
| Corrective action request: | <p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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.</p> |
| 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: 02/17 | NC Classification: minor |
| Standard & Requirement: | SBP Standard # 2 requirement 7.1. |
| Description of Non-conformance and Related Evidence: | |
| <p>The BP has prepared a Supply Base Report (SBR) and the report from the main evaluation is updated under the BP’s website. https://glowood.yolasite.com/resources/SBR-2015-EN.pdf</p> | |

| | |
|--|---|
| The BP has not upload yet the latest SBR from 2016 reviewed during the annual audit with the updates done for the last reporting period from 2016. | |
| 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: 03/17 | NC Classification: minor |
| Standard & Requirement: | SBP Standard # 4 requirement 5.5.2 |
| Description of Non-conformance and Related Evidence: | |
| Relevant staff is aware about the existing 2 claims. Written procedures also include SBP compliant biomass and SBP-controlled biomass as the 2 possible claims. See Manual CdR.02 section 7.2. Invoices reviewed include partially the SBP claim. It is included "SBP controlled" instead of the fill claim 'SBP-controlled biomass'. | |
| 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: 04/17 | NC Classification: minor |
| Standard & Requirement: | SBP Standard # 5b requirement 6.1.5. |
| Description of Non-conformance and Related Evidence: | |
| 6.75% of biodiesel is used in Portugal as it is published by the national entity for fuel markets. This percentage has not been reported in the SAR document by the BP, it has been included in CB | |

comments (pag. 15). <http://www.enmc.pt/pt-PT/atividades/biocombustiveis/explicador/incorporacao-metas-e-obrigacoes-2/>

| | |
|---|---|
| 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 |

| | | |
|--|---|-----------------------------------|
| OBS: 01/17 | Standard & Requirement: | SBP Standard 5A requirement 2.2.6 |
| | Report Section | Appendix C p 2.6. |
| Description of findings leading to observation: | <p>Logic used to allocate ZZ code in the Static Data Identifier is the following: The last digit “1” corresponds to Sines port and “0” to first certification year, this for this first annual audit this digit moves to “1”.</p> <p>First year - assessment: SBP-01-30-01</p> <p>From first annual audit: SBP-01-30-11</p> <p>Second annual audit: SBP-01-30-21.</p> | |
| Observation: | The BP should allocate ZZ in ascending linear numerical order: 01, 02, 03, 04. | |

11 Certification decision

| | |
|---|---|
| Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation: | |
| <input checked="" type="checkbox"/> | Certification approved: Upon acceptance of NCR(s) issued above |
| <input type="checkbox"/> | Certification not approved: |
| Based on auditor's recommendation and NEPCon quality review following certification decision is taken: | |
| NEPCon certification decision: Certification is maintained upon acceptance of minor NCRs raised in this report. | |
| Certification decision by: Ondřej Tarabus | |
| Date of decision: 22.06.2017 | |
| Next surveillance audit should take place: | <input checked="" type="checkbox"/> within 12 months <input type="checkbox"/> more frequently (please specify) |

12 Surveillance updates

12.1 Evaluation details

Please see in a section: p.6.2. Description of evaluation activities

12.2 Significant changes

There are no significant changes since the last audit.

12.3 Follow-up on outstanding non-conformities

| | |
|---|--|
| NCR: 01/16 | NC Classification: minor |
| Standard & Requirement: | SBP Standard 2. 2C requirement 4.1. |
| Description of Non-conformance and Related Evidence: | |
| <p>The final version of SBR provide good information about the key points in the forest management practices, weaknesses of the sector and trends from different point of views (market, forest land uses, species abundancies, etc.).</p> <p>The BP includes as primary feedstock, pine from stands of more than 40 years (final felling). In this case, the supply base report needs to provide a description of the process and results from the sampling programme undertaken to determine the proportion of final felling which ends up in biomass compared to other end uses.</p> <p>Values provided by the BP about the final felling programme are based on the information provided by a sample of suppliers, only 3 of the 7 suppliers consulted sourced material from final fellings and the proportion of final felling is recorded by supplier in the file "Cortes finais- Exhibit 10".</p> <p>Although the interviews conducted by the audit team with a sample of suppliers confirmed this information, the BP shall provide a more representative values about the proportion of final felling which ends up in biomass compared to other end uses.</p> | |
| Corrective action request: | <p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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.</p> |
| Timeline for Conformance: | 12 months from report finalization (27/07/2016) |
| Evidence Provided by Organisation: | <p>Procedures update:</p> <p>IT.06 visual inspection: a new section about roundwood age was included and template 14 also was developed were the staff records the loads with material older than 40 years at the entrance point and before the feedstock storage.</p> <p>Final felling records by each load.</p> |
| Findings for Evaluation of Evidence: | At the entrance point truck drivers are interviewed to know if the harvesting activity is a final harvesting or thinning/pruning. This |

| | |
|---|--|
| | <p>information (final felling Yes/No) is recorded in the IT system for each load.</p> <p>The quality manager review all records for monitoring purposes and update the SBR with the annual statistics in 2016. This year the % was below 4%.</p> |
| NCR Status: | CLOSED |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

| | |
|---|--|
| NCR: 02/16 | NC Classification: minor |
| Standard & Requirement: | SBP Standard 4. 2C requirement 4.1. |
| Description of Non-conformance and Related Evidence: | |
| <p>The BP understands the requirements about trademark uses and includes briefly in their internal procedures a commitment to follow the applicable rules according to SBP Standard Instruction note 4B. Despite this, auditor couldn't find enough evidences to ensure that the following aspects are meet:</p> <ul style="list-style-type: none"> • The SBP trademarks shall not be used in a way that could cause confusion, misinterpretation or loss of credibility to the SBP • SBP trademarks shall not be used connected with activities outside the scope • Products which are promoted as SBP-certified shall be included in the organization's certified product group schedule • Only the SBP logo artwork provided directly from the SBP secretariat shall be used • Only the SBP logo artwork provided directly from the SBP secretariat shall be used | |
| Corrective action request: | <p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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.</p> |
| Timeline for Conformance: | 12 months from report finalization (27/07/2016) |
| Evidence Provided by Organisation: | <p>Trademarks use approvals for: web page, email signature and communication templates.</p> <p>Logo approvals email from SBP</p> <p>SBP procedures update</p> |
| Findings for Evaluation of Evidence: | <p>The BP staff is aware of the required indicators about trademarks use, this has been evaluated through the 3 logo uses approved in this period.</p> <p>Specific reference to the SBP Standard 4: Chain of Custody, Instruction Note 4B: Trademark use is included in the SBP manual.</p> |
| NCR Status: | Closed |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

| | | |
|--|--|--|
| NCR: 03/16 | NC Classification: minor | |
| Standard & Requirement: | SBP Standard 5a requirement 3.1.1. | |
| Description of Non-conformance and Related Evidence: | | |
| <p>Organisation is mainly purchasing <i>Pinus pinaster</i>, <i>Pinus pinea</i> and <i>Eucalyptus sp.</i>, but also other residuals species are sourced. Material is classified at the entrance of the BP using the internal classification registered in the IT system. This classification is adapted to SBP requirements.</p> <p>Despite this, the BP has not enough evidences to classify pine logs as thinnings or stemwood (long rotation forestry). To classify this material, the BP has interview active 7 suppliers that have sourced material during 2016. Supplier has provided information about the % of the feedstock sourced from thinning, pruning or final fellings. The BP has calculated the weighted average and has applied this value to the GHG table for feedstock classification in the reporting period 2015.</p> <p>To improve the accuracy of the data the BP has implemented the following procedure at the entrance point:</p> <ul style="list-style-type: none"> • The truck driver and/or supplier contact will be asked about the forest activity in the harvesting place was a final felling or thinning. • During the unloading, Glowood staff will identify the prevailing age of the material and the truck will be classified as accordingly (more or less than 40 years). This information will be recorded in the IT system. <p>In order to implement this procedure a specific training is planned with load and unload staff in Glowood. At this stage no implemented or formal procedure is in place.</p> <p>Note: Based on the interviews conducted during the assessment the training should include clear references about the forest definition of thinning and final felling in the specific existing forest, especially when forest is managed with “selective harvesting” method.,</p> | | |
| Corrective action request: | <p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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.</p> | |
| Timeline for Conformance: | 12 months from report finalization (27/07/2016) | |
| Evidence Provided by Organisation: | <p>Feedstock classification is covered under indicator 4.1.2 in the new Instruction Document 5B.</p> <p>See SAR</p> | |
| Findings for Evaluation of Evidence: | <p>This NCR is no longer applicable as it was identified during the assessment. The BP meet the new requirements about feedstock classification. See indicator 4.1.2. in the appendix C.</p> | |
| NCR Status: | CLOSED | |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

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| NCR: 04/16 | NC Classification: minor | |
| Standard & Requirement: | SBP Standard 5a requirement 4.3.1. | |

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| Description of Non-conformance and Related Evidence: | |
| <p>Organization has included energy used for soil preparation, planting and forest management methods.</p> <p>Data source is a public report of eucalyptus plantations in Brazil with every forest management practices included since soil preparation, plantation until the final felling. Justification of the source used by Glowood is that its supplier is not the company that performs the forest activities, thus the information is not direct from the supplier and therefore real data collection were not feasible.</p> <p>Organisation shall use the data as much accurate as possible. Data from the supplier working in the forest are accurate, data from report in the region would be less realistic and data from other continent shall not be used if more accurate data exist.</p> <p>Additionally, the same value of 3,28 l/ha for eucalyptus has been used for pine and other forest management practices.</p> <p>Considering the fact that the value reported by the BP is higher than the standard value and therefore is conservative this non-conformity is classified as minor.</p> | |
| Corrective action request: | <p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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.</p> |
| Timeline for Conformance: | 12 months from report finalization (27/07/2016) |
| Evidence Provided by Organisation: | Optional section 5.2. in the new Instruction 5B. |
| Findings for Evaluation of Evidence: | <p>Indicator about energy used for soil preparation, planting, forest management methods and harvesting of forest product has been included under section 5.2. in the new instructions 5B and the section 5.3. is optional as default values are provided in BioGrace.</p> <p>Organization has decided to not apply this section and use default values.</p> |
| NCR Status: | CLOSED |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

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| NCR: 05/16 | NC Classification: minor |
| Standard & Requirement: | SBP Standard 5a requirement 5.2.1. |
| Description of Non-conformance and Related Evidence: | |
| <p>According to the interviews conducted during the assessment and the performance showed by the staff, individual measurements will be recorded in all the trucks at the company entrance.</p> <p>For the existing reporting period, no data has been recorded during 2015. Some data from the end 2015 and beginning of 2016 has been recorded by the BP. Data used in GHG table calculations are based on sector measurements but not from the BP itself.</p> | |

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| Averages from the sector used in the GHG table and values recorded in Glowood are in the same range of magnitude, thus the NCR 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. |
| Timeline for Conformance: | 12 months from report finalization (27/07/2016) |
| Evidence Provided by Organisation: | This indicator about average moisture of each category of feedstock has been modified in the current STD 5 Moisture procedures are implemented and measurements recorded. |
| Findings for Evaluation of Evidence: | Organization implements moisture measurement in each entrance and gets a value per truck. For SAR data purposes, information is handled and grouped by type and group of feedstock, averages are calculated by the quality manager. Using the file “control diario de recepción de materia prima”, a sample of records was reviewed during the audit. |
| NCR Status: | CLOSED |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

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| NCR: 06/16 | NC Classification: minor |
| Standard & Requirement: | SBP Standard 5a requirement 4.2.5. |
| Description of Non-conformance and Related Evidence: | |
| <p>The new procedure implemented since May 2016 is recorded in the IT system. Measurements are recorded as follows:</p> <ul style="list-style-type: none"> • Before the drier: 1time/turn. • After the drier: 3 times/turn • Final product: 2 times/turn and additionally continues measurement are provided by the system but manual measurements are consider more accurate. <p>Data used for line 22 in the GHG table “Average moisture content of raw materials”, (52,31%) doesn’t correspond to the weighted average of each input material (chipping material from forest residues (34%), sawdust (51%) and sawmill residues(47%)).The external chipping used for branches when this work is outsourced has not been included in the GHG table.</p> <p>Note: This outsourced chipping only applies to a small % of the biomass, thus the NCR is considered minor.</p> | |
| 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 |

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| | root cause to eliminate and prevent recurrence of the non-conformance. |
| Timeline for Conformance: | 12 months from report finalization (27/07/2016)) |
| Evidence Provided by Organisation: | Moisture records recorded daily during production by production staff. Monthly and annual calculations recorded by the quality manager. SAR |
| Findings for Evaluation of Evidence: | During production process, production staff record moisture in the procedure “process control”. Moisture and frequency recorded are: <ul style="list-style-type: none"> • Mill exit: 2 times/shift • Before the drier: 1 time/shift • After the drier: 3 times/shift • Final product: 2 times/shift and additionally continues measurement are provided by the system but manual measurements are considered more accurate. Calculations to obtain monthly and annual averages are done by the quality manager and these data are included in the SAR. |
| NCR Status: | CLOSED |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

12.4 New non-conformities

See section 9. All NCR are new non-conformities

12.5 Stakeholder feedback

Not applicable.

12.6 Conditions for continuing certification

Not applicable.

12.7 Certification recommendation

Certification is maintained upon acceptance of minor NCRs raised in this report

13 Evaluation details

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| Primary Responsible Person: (Responsible for control system at site(s)) | Natércia Carvalho, ncarvalho@glowood.pt |
| Auditor(s): | Pilar Gorriá Serrano |
| People Interviewed, Titles: | João Baetas, Engº Mec., CEO Natércia Carvalho, Engª Amb., Resp. QAS Giovanni Alencastro, Engº Flor. Cons. Externo Segio Campos, operador recepción Carina, administration (invoices and delivery records) |
| Brief Overview of Audit Process for this Location: | See section No. 6 above |
| Comments: | N/A |