

# SBP

Sustainable Biomass Partnership

## Control Union Certifications Evaluation of Tec Pellets Produção e Comercialização de Pellets Compliance with the SBP Framework: Public Summary Report

[www.sustainablebiomasspartnership.org](http://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](http://www.sustainablebiomasspartnership.org)*

### *Document history*

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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](mailto:certification@controlunion.com)

Primary contact for SBP: Loek Verwijst; [lverwijst@controlunion.com](mailto:lverwijst@controlunion.com), +31(0)38-4260100

Report completion date: 02/Nov/2016

Report authors: Lennart Holm, Luis Vaz Freire

Certificate Holder: Tec Pellets Produção e Comercialização de Pellets.  
Rua Padre Celestino Furtado, N° 723, 4570-077 Balazar - Póvoa do Varzim - Portugal

Producer contact for SBP: Manuel Barros / Ana Pereira

Certified Supply Base: Continental Portugal

SBP Certificate Code: SBP-06-07

Date of certificate issue: 23/Dec/2016

Date of certificate expiry: 22/Dec/2017

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

## 2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site in Balazar, Portugal. The Organisation holds an FSC Chain of Custody certificate with FSC Controlled wood in the scope of the certification. Feedstock used in the biomass production originates from Portugal. A Supply Base Evaluation is not included into the scope of the evaluation at the moment but it is planned by the company in the future

The following SBP standards are applicable and form the scope of the evaluation and thus, the SBP certificate: Standard 2, Standard 4 and Standard 5: Producer of wood pellets without a SBE (standard 1) and all material is either SBP compliant or SBP controlled through FSC certified or FSC controlled materials.

## 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 FSC 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.

## 4 SBP Standards utilised

### 4.1 SBP Standards utilised

***SBP Standard 2: Verification of SBP-compliant Feedstock***

***Version 1.0: published 26 March 2015***

**<http://www.sustainablebiomasspartnership.org/docs/2015-03/sbp-standard-2-verification-of-sbp-compliant-feedstock-v1-0.pdf>**

***SBP Standard 4: Chain of Custody***

***Version 1.0: published 26 March 2015***

**<http://www.sustainablebiomasspartnership.org/docs/2015-03/sbp-standard-4-chain-of-custody-v1-0.pdf>**

***SBP Standard 5: Collection and Communication of Data***

***Version 1.0: published 26 March 2015***

**<http://www.sustainablebiomasspartnership.org/docs/2015-03/sbp-standard-5-collection-and-communication-of-data-v1-0.pdf>**

### 4.2 SBP-endorsed Regional Risk Assessment

INTERPRETATION OF ANNEX 2B OF FSC STANDARD FOR COMPANY EVALUATION OF FSC CONTROLLED WOOD FOR PORTUGAL

**[http://www.globalforestregistry.org/hp/wp-content/uploads/2014/03/FSC-CWRA-005-PRT\\_ENG.pdf](http://www.globalforestregistry.org/hp/wp-content/uploads/2014/03/FSC-CWRA-005-PRT_ENG.pdf)**

# 5 Description of Biomass Producer, Supply Base and Forest Management

## 5.1 Description of Biomass Producer

Tec Pellets is a production and marketing company pellets, located in Balazar, Póvoa de Varzim, Porto, Portugal.

The pellet production plant became operational in the first quarter of 2013, equipped with the latest technology in terms of equipment, allows the plant to obtain a high quality product that ensures the most demanding requirements of international customers.

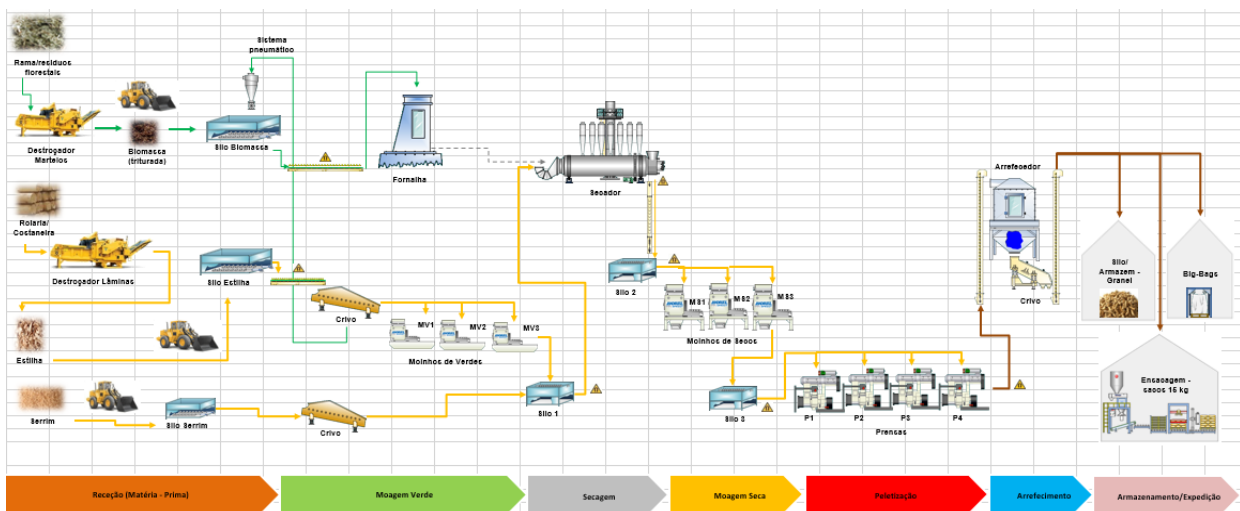
It has an installed capacity of 100.000tn / year.

Since September 2014, Tec Pellets has a Quality Management System according to ISO9001 standard, certified by SGS.

Is certified by Control Union with the Green Gold Label (GGL) since September 2014.

The raw material used to produce pellets is 100% natural. Using products from the forest chain, such as waste from wood industry (sawdust and off-cuts), round woods and residues obtained in cleaning of forests as clean biofuel with a strong impact on reducing CO2 emissions.

The production is mainly for export thus contributing to improve the balance of exports. The largest producers of electricity in the European Union are our main customers and they are located primarily in the United Kingdom, Germany, Denmark and Sweden.



Flow diagram of feedstock inputs showing feedstock type



## 5.2 Description of Biomass Producer's Supply Base

The supply base is described on the Supply Base Report, available on the company's own website:

- a. Total Supply Base area (ha): 3.2 million ha
- b. Tenure by type (ha): Privately owned: 2.8 million ha; Public: 442 400 ha
- c. Forest by type (ha): Temperate: 3.2 million ha
- d. Forest by management type (ha): Plantation: 1.8 million ha; Natural/Semi Natural: 1.4 million ha
- e. Certified forest by scheme (ha): FSC: 364 987 ha PEFC: 255 335 ha
- f. Total volume of Feedstock: 160 822 tonnes
- g. Volume of primary feedstock 38 846 tonnes
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:  
100% Not certified to an SBP-approved Forest Management Scheme
- i. Species present in the primary raw material:
  - Maritime Pine (*Pinus pinaster*)
  - Eucalyptus (*Eucalyptus* spp)
  - Poplar (*Populus* spp)
- j. No raw material originating in primary forests (natural virgin and untouched).
- k. Percentage of feedstock derived from forest management certified by approved SBP initiative - 0%  
Percentage of feedstock derived from forest management not certified by approved SBP initiative - 100%
- l. Volume of secondary raw material: 121,975 tonnes
- m. Volume tertiary raw material: 0 tonnes

## 5.3 Detailed description of Supply Base

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

The TEC Pellets Supply Base includes continental Portugal.

### **Portuguese forest:**

According to data from the last National Forest Inventory (IFN - 6), the National Forest Authority, the Portuguese forest occupies 35% of the national territory, a total of 3.2 million ha.

The forest area decreased during the period 1995 - 2010 corresponding to a net loss rate of -0.3% per year.

The areas of use include forest afforested (forest stands) and surfaces temporarily treeless (burned surfaces, cut and regeneration), for which it provides for the recovery of their covered short-term tree.

Land-Uses in Portugal – 2010 (ICNF National Forest Inventory, Preliminary Results, 2013):

- 35% Forestry
- 32% Bushland and Natural Pastures
- 24% Agriculture
- 5% Urban
- 2% Inland Waters
- 2% Unproductive

Regarding the distribution of areas by species, the Eucalyptus (dominated by the species *Eucalyptus globulus*) is the main forest of the continent occupation area (812,000 ha), cork second (737,000 ha), followed by maritime pine (714,000 ha).

The maritime pine area shows a strong reduction of -13% compared to the wooded area (stands) and -27% for the total area (stands and surfaces temporarily treeless, i.e. cut surfaces, burned and regeneration).

The total area of maritime pine decreased 263,000 there between 1995 and 2010. Most of this area was transformed into woods and pastures (165,000 ha), 70,000 eucalyptus, 13 thousand in urban areas and 13,7000 in forests with other tree species.

There is a significant increase in wooded areas in pine wood (+ 54%) and chestnut (+ 48%).

The total area of eucalyptus increased by 13% between 1995 and 2010. This increase contributes 70,000 ha of areas occupied by maritime pine in 1995; 13,500 ha of land occupied by scrubland and grassland and 12 thousand agricultural areas. Approximately 8000 ha which were eucalyptus forest in 1995 are urban use in 2010.

Forest Stands in Mainland Portugal – 2010 (ICNF National Forest Inventory, Preliminary Results, 2013):

- 26% Bluegum / Eucalyptus spp.
- 23% Corkoak / Quercus suber
- 23% Maritime Pine / Pinus pinaster
- 11% Holmoak / Quercus rotundifolia
- 6% Stone Pine / Pinus pinea
- 2% Oak / Quercus spp.
- 1% Sweet Chestnut Tree / Castanea sativa
- 6% Other Hardwoods
- 2% Other Softwoods

***Species in primary feedstock, including scientific name:***

Pinus pinaster  
Eucalyptus spp.  
Populus spp.

## 5.4 Chain of Custody system

The Organisation is holding valid FSC Chain of Custody and FSC Controlled wood certificate. Valid FSC system description and other documents exist. The Organisation is implementing FSC credit system. FSC Credit system is used for materials received as FSC certified, FSC Controlled wood and feedstock verified according to the Organisation's own Controlled wood verification system, covering Portugal. Feedstock whose origin cannot be verified as per the established Due Diligence system, is considered as Non-Controlled and is therefore not included in the production of certified products nor supplied as FSC CW - Controlled Wood, or 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 purposed the volume of feedstock is recalculated by using the conversion factor of the production, FSC credit account is updated once in a month: data about received raw materials by FSC certification status and volume of sold pellets are recorded. In case of the FSC and / or SBP sales, the volume of sold pellets is withdrawn from the credit account.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

The first audit occurred between March 1-3, 2016. This audit was scheduled with the intention to include SBP Standard 1. During this audit it occurred that there were too many shortcomings with SBP requirements, which could not all be solved within the 90 days' timeframe. Therefore it was decided to execute a second audit to verify all indicators again, but to limit the scope to SBP standards 2, 4 and 5. This audit occurred between September 7-8, 2016. This report is the result of the findings of a certification evaluation carried out by an independent lead auditor and team of auditors 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	Date/time	Location	Executed by (role)
<b>Preparation</b>			
Preparation (telephone/email on scope and planning)	29/06/16 1.5 hours	Remote	Loek Verwijst (certifier)
First Stakeholder Consultation	22/01/2016	Remote	Lennart Holm (lead auditor)
Second Stakeholder Consultation	04/08/2016	Remote	Lennart Holm (lead auditor)
Finalization GHG data audit Verification of missing items	15:30 – 16:00	Tec Pellets	Koen Jongste (auditor)
Closing Meeting	16:00- 17:00	Tec Pellets	Lennart Holm (lead auditor)
<b>Audit</b>			
Opening meeting	07/09/2016 10:00-10:30	TEC Pellets	Lennart Holm (lead auditor)
Review of documents and records, Supply Base Report	9:15 – 12:00	TEC Pellets	Lennart Holm (lead auditor)
Review of COC system/procedures, interview responsible personnel	13:00 – 14:00	TEC Pellets	Lennart Holm (lead auditor)
Tour of the facility	14:00 – 15:00	TEC Pellets	Lennart Holm (lead auditor)
Interviews key personnel purchase and sales	15:00 – 17:00	TEC Pellets	Lennart Holm (lead auditor)
Visit Port operation	13:00 – 15:00	Leixões	Luis Vaz Freire (auditor)
Visit Port operation	15:00 – 17:00	Viana do Castelo	Luis Vaz Freire (auditor)
Business integrity, social, health and safety requirements. Logo/Trademark use	08/09/2016 09:00 – 16:00	TEC Pellets	Luis Vaz Freire (auditor)
GHG paper audit and evidence review	11:00 – 16:00	TEC Pellets	Lennart Holm (lead auditor)
Closing Meeting	16:00- 17:00	Tec Pellets	Lennart Holm (lead auditor)

1. Names and affiliations of people interviewed	
Name:	Affiliation:
Manuel Barros	TEC Pellets, Quality Manager
Joaquin Fanguero	TEC Pellets, Production Manager
Ana Pereira	TEC Pellets, Quality Manager
Giovanni de Alencastro	Consultant, TEC Pellets

## 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. During this closing meeting it was also discussed how evidence can be submitted of corrective action with respect to non-conformities that were identified during the audit.

## 6.3 Process for consultation with stakeholders

First consultation with stakeholders' was conducted by Control Union on 22/01, 2016.

Second consultation with stakeholders' was conducted by Control Union on 04/08, 2016.

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. No comments from the stakeholders were received in the first stakeholder consultation. The second consultation consisted of phone calls with key stakeholders (one representative organization on above mentioned categories), to inform them the main assessment was postponed and to verify if there would be any additional comments.

## 7 Results

### 7.1 Main strengths and weaknesses

The audit of TEC Pellets demonstrated a good level of compliance with the required criteria of Standard 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 Chain of Custody system in combination with ISO 9001:2008, ENplus 2013 and Green Gold Label S1 are considered a main strength with respect to TEC Pellets overall conformity with the relevant SBP standards.

Weaknesses: Very small amount of certified material. A weakness was found in updating their Supply Base reports (see under Standard 2: 7.1, instruction note 2C, 1.1, and Standard 5, 8.1 (see NCs 2016-1,- 2 and - 3)).

### 7.2 Rigour of Supply Base Evaluation

As TEC Pellets will only source FSC-certified materials (FSC 100% and FSC Mix) and material under its own FSC controlled wood system (controlled material), they will deliver some SBP compliant biomass and mostly SBP controlled biomass, thus no SBE is needed in order to increase the amount of SBP compliant biomass at this moment in time.

### 7.3 Compilation of data on Greenhouse Gas emissions

The organization has employed external consultant who helped the organization with implementation of the system for collection of the emission and energy data. The company supplied the audit team actual data on Greenhouse Gas emissions, except for forest operations; including planting, harvesting, use of pesticides and fertilizers. Since they buy raw material directly from independent logging companies and not from the land owners, no actual data available.

### 7.4 Competency of involved personnel

No SBE was completed.

All personnel that is involved with SBP have received appropriate training whereby all relevant procedures and requirements have been covered. All training and instructions are based on the procedures as identified in company manuals, and training is provided by internal resources and recorded accordingly. Key personnel showed good knowledge of SBP requirements.

## 7.5 Stakeholder feedback

Consultation with stakeholders' was conducted by Control Union on 22/01, 2016.

No comments were received.

Consultation with stakeholders' was conducted by Control Union on 04/08, 2016.

No comments were received.

## 7.6 Preconditions

None

## 8 Review of Biomass Producer's Risk Assessments

Tec Pellets has not yet completed an SBE, but has included SBP-endorsed Regional Risk Assessment used in the evaluation as per below.

INTERPRETATION OF ANNEX 2B OF FSC STANDARD FOR COMPANY EVALUATION OF FSC CONTROLLED WOOD FOR PORTUGAL

[http://www.globalforestregistry.org/hp/wp-content/uploads/2014/03/FSC-CWRA-005-PRT\\_ENG.pdf](http://www.globalforestregistry.org/hp/wp-content/uploads/2014/03/FSC-CWRA-005-PRT_ENG.pdf)

## 9 Review of Biomass Producer's mitigation measures

Since TEC Pellets has not completed an SBE, but has included SBP-endorsed Regional Risk Assessment used in the evaluation, and these risk assessments concludes low risk for the identified supply base, no mitigation measures are identified.



## 10 Non-conformities and observations

<b>1. Non-compliance overview</b>	
Date:	08/09/2016
Number settled:	0
Number outstanding:	3

<b>NC No:</b>	2016-01
<b>Date:</b>	<b>2016-09-08</b>
<b>Major or Minor:</b>	<b>Minor</b>
Reference to standard:	Standard 2, 7.1
Standard requirement:	The BP shall prepare a Supply Base Report (SBR) which shall be made readily accessible on the BP's website. Commercially sensitive and confidential information may be excluded from the SBR.
Evidence of non-compliance:	While Supply Base Reports have been made in English and Portuguese, the uploaded English and Portuguese versions are not the most recent versions.

<b>NC No:</b>	2016-02
<b>Date:</b>	<b>2016-09-08</b>
<b>Major or Minor:</b>	<b>Minor</b>
Reference to standard:	Standard 2, instruction note 2C, 1.1
Standard requirement:	1.1 The BP shall prepare a SBR which is publicly available and includes a summary of any SBE
Evidence of non-compliance:	While Supply Base Reports have been made in English and Portuguese, the uploaded English and Portuguese versions are not the most recent versions.

<b>NC No:</b>	2016-03
<b>Date:</b>	<b>2016-09-08</b>
<b>Major or Minor:</b>	<b>Minor</b>
Reference to standard:	Standard 5, 8.1
Standard requirement:	Each BP is required to publish a publicly available Supply Base Report (SBR).
Evidence of non-compliance:	While Supply Base Reports have been made in English and Portuguese, the uploaded English and Portuguese versions are not the most recent versions.

None of the above non-conformities are likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

## 11 Certification decision

The management system, procedures, and techniques of TEC Pellets have been assessed by CUC according to the standard(s) described in chapter 4.1 of this summary. In the opinion of the lead auditor:

TEC Pellets is in conformity with the certification requirements and a certificate should be issued. After review, Control Union Certifications B.V. confirms this decision.

Date of certificate issue: 23/Dec/2016

Date of certificate expiry: 22/Dec/2017

Once certified, TEC Pellets will be audited at least annually to monitor its continued conformity with all applicable certification requirements. TEC Pellets will also be required to fulfil all the corrective actions (if applicable) within the given timeframes, as mentioned in section 9.

## 12 Surveillance updates

Not applicable.