SBP

Sustainable Biomass Partnership

Control Union Certification B.V. Evaluation of Pinewells 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

Version 1.0: published 26 March 2015

Contents

1 Overview

CB Name and contact:	Control Union Certifications B.V.
Primary contact for SBP:	Mr. L.J. Verwijst lverwijst@controlunion.com
Report completion date:	29/Mar/2017
Report authors:	Mr. L. Holm (Lead Auditor) Mr. L. Verwijst (Certifier)
Certificate Holder:	Pinewells, S.A. Zona Industrial da Relvinha – Sarzedo, Arganil 3300-416 Sarzedo AGN, Portugal
Producer contact for SBP:	Nazaré Costa , Pinewells - Zona Industrial da Relvinha – Sarzedo, Arganil 3300-416 Sarzedo AGN, Portugal. Tel: +351 235 240 940 Email: nazarecosta@visabeiraglobal.com
Certified Supply Base:	Continental Portugal
SBP Certificate Code:	SBP-06-06
Date of certificate issue:	09/Aug/2016
Date of certificate expiry:	08/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**
☐	☒	☐	☐	☐

2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site in Sarzedo, 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*** https://sbp-cert.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*** https://sbp-cert.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*** https://sbp-cert.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

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Pinewells belongs to the subholding Visabeira Industry from Visabeira Group, is located in the Zona Industrial da Relvinha, Sarzedo, Arganil. Its activity relates to the manufacture of "Wood Pellets", a 100% natural and renewable bio-fuel, produced exclusively from wood in the form of uniform particles, dried and heavily compressed, constituted by cylinders of 6 mm in diameter, with an approximate density of 660 kg/m³.

The company has a total area of 50 000 m², occupied by an office building and two industrial buildings with a covered area of 4000 m², referring to chipping, drying, silage, pelleting, bagging and storage.

The feedstock consists essentially of wood of various species, especially pine, eucalyptus and acacia, obtained by recent logging, also incorporating in its manufacturing process, by-products from primary wood processing, such as sawdust, shavings, wood slabs and other chemicals free.

In the process of drying the feedstock needed to manufacture pellets, the forest waste biomass, wood residues and other components from the manufacturing sector, are assumed to be the main type of fuel.

The pellets production process is basically constituted by the following stages:

Chipping:

This sector is the start of the process of manufacturing pellets, characterized in three different lines:

- Round wood chipping: Initial stage of the manufacturing process where the wood is crushed through a machine called Chipper of round wood. The shredded wood (woodchips) is stored and used later in the process.

- Biomass chipping: Also initial stage of the process where biomass is crushed through a machine called Chipper for biomass that is going to be burned with the aim of producing heat in the drying sector.

- Green milling: Stage where the already crushed wood (wood chips) is reduced to smaller particles similar to sawdust with three hammer mills. Then, the material is ensiled in Silo 1.

Drying:

This sector is characterized by two main devices: Furnace and Dryer.

This sector is responsible for the extraction of water in the sawdust produced by Green Milling. This process requires a heat source provided by the furnace that burns the previously crushed biomass.

The heat produced in the furnace is carried by air through ducts to the Dryer (rotary drum) which is mixed with sawdust. Due to the involved high temperatures, existing water in sawdust evaporates and is sent to the atmosphere while sawdust is collected and sent to the Pelletization sector, beginning with silo 2.

Pelleting:

In this sector it enters at the final phase of the process, Pelleting. It is contemplated by the Dry Milling (Hammer Mills) and the Presses.

The material with the desired moisture levels resulting from drying, is again crushed to get a relatively homogenized dimension through the three hammer mills, and then ensiled in Silo 3.

After the above milling, the material is transported to the five presses where it is compressed causing a wood granulate geometrically cylindrical with a diameter of 6 mm and length between 20 and 40 mm now designated by pellets. These are cooled in a cooler and then stored inside Silos 4 and 5, to be transported by truck to seaport or to the customer: in bulk, bagged or in Big-Bag's.

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:

https://www.pinewells.pt/UPLOADS/PRODUTOS/QUALIDADE/Pinewells-SBR-EN.pdf

https://www.pinewells.pt/UPLOADS/PRODUTOS/QUALIDADE/Pinewells-SBR.pdf

a. Total Supply Base area (ha):	3,3 millions ha
b. Tenure by type (ha): Privately owned:	15,4 million ha; Public: 500 000 ha
c. Forest by type (ha): Temperate:	3,3 millions ha
d. Forest by management type (ha): Plantation:	2,3 millions ha; Natural/Semi Natural: 900 000 ha
e. Certified forest by scheme (ha):	373 171 ha FSC-certified forest; 256 369 ha PEFC-certified forest Focusing on sustainable sourcing solutions SBP Framework Supply Base Report: Template for BPs v1.2 Page 5 Feedstock

f. Total volume of Feedstock: 0 – 200,000 tonnes

g. Volume of primary feedstock: 0 – 200,000 tonnes

h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

80%-100% Not certified to an SBP-approved Forest Management Scheme

0%-19% Certified to an SBP-approved Forest Management Scheme

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 Pinewells 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: The provided species from Pinewells are listed below:

Article	Common name	Species
Pine roundwood	Pinheiro Bravo	*Pinus pinaster Aiton*
	Pinheiro Manso	*Pinus pinea L.*
	Pinheiro Larício	*Pinus nigra Arnold*
	Pinheiro-insigne	*Pinus radiata*
	Pinheiro Silvestre	*Pinus sylvestris L.*
	Pseudotsugas	*Pseudotsuga menziesii*
Diverse roundwood	Mimosa	*Acacia dealbata Link*
	Australia	*Acacia melanoxylon R. Brown*
	Choupo	*Populos spp.*
	Freixo	*Fraxinus spp.*
	Amieiro	*Alnus Glutinosa*
	Cedro	*Cedrus*
	Cedro do Bussaco	*Cupressus lusitanica*
	Castanheiro	*Castanea sativa L.*
	Carvalho	*Quercus faginea*
Eucalyptus roundwood	Eucalipto comum Eucalipto	*Eucalyptus globulus Labillardière* *Eucalyptus camaldulensis Dehnhardt*

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 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 Main Assessment occurred between March 29 to March 31, 2016 by the above mentioned audit team. 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***	***Executed by***
Preparation	07-03-2016 (telephone discussion, on scope)	Lennart Holm Loek Verwijst
Desktop review	23-03-2016	Lennart Holm
Head office audit	29-03-2016; 30-03-2016; 31-03-2016	Lennart Holm Koen Jongste
evidence review.	26-04-2016	Lennart Holm Loek Verwijst

1. Names and affiliations of people interviewed	
Name:	Affiliation:
Nazaré Costa	Pinewells
Bianca Peixinho	Pinewells
Fransisco Dias	Pinewells
José Gerardo	Pinewells

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 although no non-conformities were identified during the audit.

6.3 Process for consultation with stakeholders

Consultation with stakeholders' was conducted as part of the main evaluation and occurred on June 20, 2016 with a deadline to submit comments on July 20, 2016.
No comments were received

7 Results

7.1 Main strengths and weaknesses

The Audit of Pinewells 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 FSC 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 Pinewells´overall conformity with the relevant SBP standards.
Weaknesses: Very small amount of certified material.

7.2 Rigour of Supply Base Evaluation

As Pinewells only sources FSC-certified materials (FSC 100% and FSC Mix) and material under its own FSC controlled wood system (controlled material), they 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 in depth procedures for this. 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

The company has one person who has the main responsibility related to the SBP system. 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. No SBE was completed.

7.5 Stakeholder feedback

No stakeholder consultation has been performed for this surveillance audit cycle. Consultation with stakeholders' was conducted as part of the main evaluation and occurred on June 20, 2016 with a deadline to submit comments on July 20, 2016.

No comments were received.

7.6 Preconditions

No preconditions were issued by the certification body, as this was a surveillance audit. The certificate holder was awarded the certificate prior to this audit.

8 Review of Biomass Producer's Risk Assessments

Pinewells 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

9 Review of Biomass Producer's mitigation measures

Not applicable since Pinewells 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

There were no non-conformities detected during this audit.

11 Certification decision

The management system, procedures, and techniques of Pinewells SA 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 (Lennart Holm):

☒ Pinewells SA is in conformity with the certification requirements and continued certification is approved.

Date of certification: 09/Aug/2016

Expiry date of certificate: 08/Aug/2021

Pinewells SA. will be audited at least annually to monitor its continued conformity with all applicable certification requirements.

12 Surveillance updates

This was the first surveillance audit. Surveillance updates will be provided to SBP as specified in SBP Standard 3: Certification Systems: Requirements for Certification Bodies.

12.1 Evaluation details

The first surveillance audit was carried out on March 23 and 24 of 2017 where Pinewells office was visited as well as the Pellet plant and associated log and storage yard were inspected. The facility visit included a walkthrough of the whole facility following the feedstock from delivery through production, storage and shipping.

Activity	***Date***	***Executed by***
Preparation	13-03-17	Loek Verwijst (certifier)
Desktop review	17-03-17	Lennart Holm (lead auditor)
Head office audit	23-03-17	Lennart Holm
GHG paper audit and evidence review.	24-03-17	Lennart Holm

12.2 Significant changes

Since last year Pinewells has decided to not include Spain in its supply base. No other significant changes were detected.

12.3 Follow-up on outstanding non-conformities

No outstanding non-conformities.

12.4 New non-conformities

There were no non-conformities issued during this surveillance audit.

12.5 Stakeholder feedback

Consultation with stakeholders' was conducted as part of the main evaluation and occurred on June 20, 2016 with a deadline to submit comments on July 20, 2016.

No comments were received.

12.6 Conditions for continuing certification

There are no conditions for continuing certification.

12.7 Certification recommendation

Pinewells is in continued conformity with the certification requirements (all NC's are closed), and certificate should be maintained.
Control Union recommends the continued certification of Pinewells. No conditions apply.