

# SBP

Sustainable Biomass Partnership

## NEPCon Evaluation of José Afonso & Filhos 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

On a title page, include the following information:

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 Primary contact for SBP: Ondrej Tarabus, ot@nepcon.net, +420 606 730 382  
 Report completion date: 19<sup>th</sup> February 2016  
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 Producer contact for SBP: Francisco Fernandes, 00351 969 289 399, gialencastro@gmail.com  
 Certified Supply Base: Portugal  
 SBP Certificate Code: SBP-01-18  
 Date of certificate issue: 11/May/2016  
 Date of certificate expiry: 10/May/2016

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
X	<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 Oleiros, Portugal. The Organisation holds both FSC and PEFC Chain of Custody certificates with FSC Controlled wood in the scope of the certification. The chain of custody certification is covering also pellet production.

The input material used by the organisation for biomass production contains primary (low volume wood which is not used in the sawmill production - tree tops) and secondary (sawdust and sawmill residues) feedstock supplied by the company itself or by local suppliers. For drying of the biomass is used feedstock such as branches of pine and eucalyptus or bark delivered from their sawmill production located at the same area.

All inputs materials delivered to the pellet production plant are FSC certified, FSC controlled wood or included in the Organisation’s FSC Controlled wood verification system. Feedstock used in the biomass production originates from Portugal or North West Spain.

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.

Scope of the evaluation is indicated in the table below:

Scope Item	Check all that apply to the Certificate Scope	Change in Scope (N/A for Assessments)
<b>Approved Standards:</b>	<i>SBP Standard #2 V1.0 SBP Standard #4 V1.0; SBP Standard #5 V1.0</i> <a href="http://www.sustainablebiomasspartnership.org/documents">http://www.sustainablebiomasspartnership.org/documents</a>	<input type="checkbox"/>
<b>Primary Activity:</b>	Pellet producer	<input type="checkbox"/>
<b>Input Material Categories:</b>	<input checked="" type="checkbox"/> SBP-Compliant Primary Feedstock	<input type="checkbox"/>
	<input checked="" type="checkbox"/> SBP-Compliant Secondary Feedstock	
	<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"/>
	<input type="checkbox"/> Post-consumer Tertiary Feedstock	
	<input type="checkbox"/> SBP-approved Recycled Claim	
<b>Chain of custody system implemented:</b>	<input checked="" type="checkbox"/> FSC <input checked="" type="checkbox"/> PEFC <input type="checkbox"/> SFI <input type="checkbox"/> GGL	<input type="checkbox"/>
	<input type="checkbox"/> Transfer <input type="checkbox"/> Percentage <input checked="" type="checkbox"/> Credit	<input type="checkbox"/>
<b>Use of SBP claim:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/>
<b>SBE Verification Program:</b>	<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:	
<b>Sub-scopes</b>		<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/PEFC 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

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

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

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015

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

### 4.2 SBP-endorsed Regional Risk Assessment

Not applicable. Supply Base Evaluation is not covered by the Scope of the Evaluation.



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

### 5.1 Description of Biomass Producer

JAF is a biomass producer with a production situated in Oleiros, Portugal. At the same site as the pellet production and also located sawmill (under the same ownership) which is the main supplier of feedstock to the biomass producer. The saw mill is sourcing to the biomass producer low volume roundwood (tree tops which are chipped directly at the sawmill operation), sawdust, and bark which is used in the dryer. As the pellet production needs more input material than can be delivered from the saw mill there is also additionally purchased other material as sawdust, sawmill residues (in form of chips), tree tops and eucalyptus branches.

The round wood used in the sawmill (logs for primary production) is originating from Portugal (92%) and North West Spain (8%). The volume of the feedstock (tree tops, sawdust, sawmill residues in form of chips, bark, branch wood) delivered to the pellet production and into dryer is recorded on regular basis. In the dryer the organisation is using eucalyptus branches and bark).

The Organisation has implemented FSC and PEFC credit system. Incoming material is either FSC/PEFC certified, FSC Controlled Wood or Controlled according to the organisation's own controlled wood verification program.

The amount of the biomass produced according to FSC credit system might be sold as SBP-compliant or SBP-controlled.

After production the pellets are transported to Puerto Figueira da Foz where it is either directly loaded to the vessel or stored in the harbour storage until sufficient material is accumulated. Pellets cannot be mixed in this storage and organization does not operate it.

### 5.2 Description of Biomass Producer's Supply Base

The company acquires logs, woodchips and sawdust, mainly of pine or Maritime Pine (*Pinus pinaster*), as raw material for industrial processes (sawmill, pellet plant and briquette factory). For kiln drying processes, in addition to pine biomass (small logs, bark, waste and leftover material), roundwood, waste and leftover material from Eucalyptus (*Eucalyptus* spp.) can also be used.

Wood purchased standing or piled comes from forests in Portugal (91.3%) and Spain (8.7%). In Portugal, the logging and transportation is conducted by the company. These activities are conducted within the scope of the company's Chain of Custody Management System. In Spain, logging is done by sub-contractors while trucking is provided by the company.

## Portugal

In Portugal, the wood comes mainly from the central region, from forests located in the districts of Castelo Branco, Portalegre, Santarém, Leiria, Coimbra, Aveiro, Viseu, Guarda and Bragança.

In Spain, the wood originates from mainly forested areas located near the border with Portugal. These areas belong to the Autonomous Communities of Galicia, Castilla y Leon and Extremadura. There is a possibility of wood coming from other regions in Spain, as the company has expanded its markets and seeks to profit in the transport and the purchase of wood close to the delivery locations.

The raw material used by the BP origins from Portugal. The majority of the material is primary feedstock. The predominant material used is branches and stems of *Pinus Pinaster*. The stems received are of low quality and in most cases are not suitable for other use. The second most common material are the branches and stems of *Pinus Pinea*. The organization also source *Eucalyptus* (mostly in form of tops which are used as a fuel in the production), poplar, acacia or ash (however the broadleaved species accounts for up to 13% of feedstock received).

The raw material comes from forest clean operations and pine plantation maintenance (including round wood, pine cones, branches, needles, leaves, thinning and bark).

Forest cover in Portugal accounts for about 35,4% or about 3,154,800 ha (ICNF 2010) out of this 0.7% ( 24,000 ) is classified as primary forest.

Portugal has 849,000 ha of planted forest (812 000 ha for *Eucalyptus Globus*).

The main tree species are: Maritime pine (*Pinus pinaster*) (23%), *Eucalyptus* (*Eucalyptus globulus*) (26%), Cork oak (*Quercus suber*) (23%), Holm oak (*Quercus rotundifolia*) (11%), Oaks (*Quercus spp*) (2%), Umbrella pine (*Pinus pinea*) (6%), Sweet chestnut (*Castanea sativa*) (1%), other hardwoods (6%) and other softwoods (2%).

Portuguese forests are increasing continually from the two last centuries but in the last decade some decreasing started to be noticed, because of forest fires, conversion to other uses and also because of the effect of the pine disease (pine wood nematode) which affected mostly maritime pine. According IFN, 2010 from ICNF: Between 1995-2010 forests lost an average of 10 000 ha/year meaning -0,3%/year.

Portuguese forests are influenced by the climate and geography, among other factors, being significantly different in the North and in the South. The North is mostly mountainous and influenced by the Atlantic climate. Here are present oak forests of *Quercus robur* and *Quercus faginea* at seaside and *Quercus pyrenaica*, with settlements of *Cytisus sp.* and several pockets of invasive species, such as *Acacia sp.* In the South, with more plains and less relief, Portugal's endemic Mediterranean forests are characterized by oak forests (*Quercus suber* and *Quercus rotundifolia*) with several types of understorey vegetation. Pine trees (*Pinus pinaster* and *Pinus pinus*) and *Eucalyptus* (*Eucalyptus globulus*) occur in all territory, as well as abundant bushes of rockrose *orlabdanum* (*Cystus ladanifer*) and strawberry tree (*Arbutus unedo*) in all territory.

All types of forest areas present in Portugal mainland are plantations, semi-natural and natural forests.

The first goal forest management is improved the productions (timber and NTFP-Non Timber Forest Products as cork and cones/pine nuts). This strategic forest planning methodology allows the integration of two different silvicultures (timber production or non-timber forest products) and the choice of the best in each stand. Pine cones is a production which needs a good solar exposure, which means that the umbrella pine (*Pinus pinea*) is pruned, and some thinning must be done over the years.

Mixed stands of cork oak and pines also demand thinning to become a pure cork stand from some stage, as the pines are intolerant species.

The timber and the cork constitute the most financially profitable forest products, that target the various activities such as sawmills, cork industries, production of paper pulp, cellulose or energy, among many others. Portugal is the main cork producer in the world. Portuguese resin production is regaining competitiveness and the sector is starting the collection and industrial processing.

### Spain

The Spanish forest area represents 54.8% of the national territory, 27.7M ha. With 18.4M ha, covering 36.3% of its territory, Spain has the third largest extension of tree-covered forest area in the EU, equivalent to 0.4 ha per capita. On the other hand, Spain has 9.3 M ha of treeless area, covering 18.5% of its national territory.

Spain has 4 biogeographical regions with distinctive vegetation features: Atlantic, Mediterranean, Macaronesian and Alpine.

According to the National Forest Inventories, over 80 % of forests in Spain are composed of two or more tree types. The largest formation is made of holm oaks, which represents 15.3% of the tree-covered area, about 2.8 M ha, followed by pasture with 2.4 M ha and pine with 2 M ha.

Detailed information about the supply base region (general description of the forest resources and forest management practices within the Supply Base) is publically available at the BP’s homepage:

<http://www.jaf-madeiras.com/pt/certificacao/default.html>

## 5.3 Detailed description of Supply Base

Total Supply Base area:	21,5 millions ha
Tenure by type:	Privately owned: 15,4 millions ha; Public: 6,1 millions ha
Forest by type:	Temperate: 21,5 millions ha
Forest by management type:	Plantation: 16,9 millions ha; Natural/Semi natural: 4,6 millions ha
Certified forest by scheme:	578.580 ha FSC-certified forest; 2.100.686 ha PEFC-certified forest

## 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. The Controlled wood system of the organisation is covering Portugal and Spain. No other feedstock is received. Supplier list is maintained.

After the reception, incoming feedstock is unloaded into piles according to type of feedstock and load is registered into the recordkeeping system. All input material is weighted and recorded in tones. For the credit account purposed the volume of feedstock is recalculated by using the conversion factor of the production, FSC credit

account is updated once in a month: data about received raw materials by FSC certification status and volume of sold pellets are recorded.

In case of the FSC and / or SBP sales, the volume of sold pellets is withdrawn from the credit account.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Onsite assessment was conducted at 14<sup>th</sup> and 15<sup>th</sup> January 2015

Totally 2,5 days was spent for this evaluation: 1,5 day onsite + 1 day documented evidence review prior to the assessment.

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Office	OT, PG	14/01/2016 09.00-09.30
Documents and procedures review. Inputs review	Office	OT, PG	14/01/2016 09:30-11.30
Interview with Purchasing department representative	Purchasing department	OT, PG	14/01/2016 11:30-12:15
Break		OT, PG	14/01/2016 12:15-13:00
GHG calculation review	Office	OT, PG	14/01/2016 13:00-16:30
Internal team meeting	Office	OT, PG	14/01/2016 16:30-17:00
Presentation of the results of the first day of assessment	Office	OT, PG	14/01/2016 17:00-17:30
Opening meeting	Office	OT, PG	15/01/2016 08:00-08:15
Chain of custody review (site tour); interview with	Production facilities	OT, PG	15/01/2016 8:15 – 10:00

roundwood acceptance department			
Interview with Sales department representative	Sales department	OT, PG	15/01/2016 10:00-10:30
Documents and procedures review; staff interview.	Office	OT, PG	15/01/2016 10:30 – 11:00
Internal team meeting	Office	OT, PG	15/01/2016 11:00 – 11:30
Closing meeting*	Office	OT, PG	15/01/2016 11:30 – 12:00
End of the evaluation			15/01/2016 12:00

OT – Ondřej Tarabus, PG – Pilar Goría

## 6.2 Description of evaluation activities

The assessment 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 system and FSC system control points as well as GHG data availability.

Description of the assessment evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC/ CW system of the organisation, including SBP Procedures, GHG data calculations/ data sheet, Supply Base Reports and FSC system description was provided by the company in advance as well as were reviewed during the desk verification conducted prior to the assessment. Auditing team was welcomed in José Afonso & Filhos, S.A. office in Oleiros. Audit started with an opening meeting attended by the SBP responsible person and the CEO of the organization.

Auditor introduced the auditing team, 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 accreditation related issues.

After that auditor went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction documents 5a 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 over responsible staff (plant manager, production manager, accountant, assistant of the accountant, sales representative, purchasing representative) having key responsibilities within the system were interviewed.

After a 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.

At the end of the audit finding were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the CEO and SBP responsible person.

At February 2016 additional written evidence (such as SBR or updated SBP procedure) were provided by the PB to the auditor team. Based on this documents some of the non-conformities were closed – for details see the “Non-conformities and observations” part of the audit report.

Audit team composition:

Auditor(s), roles	Qualifications
Ondrej Tarabus, Brno, Chech Republic  Lead auditor	Czech citizen, graduated in University of Life Sciences Prague, The Faculty of Forestry. He has participated in several FSC assessments in Czech Republic, Slovakia, Italy, Germany, Vietnam, Egypt, Spain, Romania, Bosnia and Herzegovina, Austria, etc. and FSC FM audits in Czech Republic and Lithuania. Ondřej Tarabus successfully completed SBP training course and he has practical experience with carbon footprint certification as well as biofuels certification.
Pilar Gorría Serrano, Spain  Auditor in training	Pilar is a forestry engineer from the University of Madrid. Part of her studies took place at the Forestry Research National Centre-BFV in Vienna, where she explored carbon soil emissions in commercially managed forests. She has participated in several FSC FM, FSC CoC, PEFC CoC and Carbon Footprint in Spain and Portugal.

### 6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on 04th of December, 2015 by 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.

## 7 Results

### 7.1 Main strengths and weaknesses

Strength: Use of the FSC credit system. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members. Use of own production waste.

Weaknesses: Very small amount of certified material.

### 7.2 Rigour of Supply Base Evaluation

Not applicable.

### 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 main challenge for the organization was to collect the data for the material used in the dryer and to have the data per each class of feedstock according the UK and EC classification as this was not previously reported and it had to be done on the top of the current system.

### 7.4 Competency of involved personnel

The main SBP responsible person in the company is Purchasing Manager Francisco Fernandes. He is supported by external consultant Giovanni Alencastro who is mostly involved in preparation of internal procedures and helping to set up the management system. The SBP responsible person has showed good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system.

### 7.5 Stakeholder feedback

No stakeholder comments are received.

### 7.6 Preconditions

There are no preconditions for issuing of the certificate, only minor non-conformities issued.



## 8 Review of Biomass Producer's Risk Assessments

Not applicable.

## 9 Review of Biomass Producer's mitigation measures

Not applicable.

## 10 Open Non-Conformity Reports (NCRs)

<b>NCR number:</b> 08122	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 6.2		
<b>Description of Non-conformance:</b>			
<p>There are 15 suppliers of secondary feedstock. The suppliers are signing declaration of origin. In this declaration, the supplier agrees to inform the organization in case the material comes out of Portugal or Spain.</p> <p>There is quite small possibility that the material would be coming from outside the SB as the secondary feedstock suppliers are quite small and it would not make economic sense to bring the pine wood from far away. However, the place of harvesting is not checked at the supplier level and the organization only rely on the supplier declaration which even considering the very low risk in terms of origin of material out of SB does not provide full assurance of correct record of place of harvesting.</p>			
<b>Corrective action request:</b>	<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>		
<b>NCR conformance deadline:</b>	12 months (28-03-2017)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
<b>Comments (optional):</b>			

<b>NCR number:</b> 08123	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 2C - 4.1		
<b>Description of Non-conformance:</b>			
The SBR does cover most of the important features. The organization does not use material coming from final fellings (only tree tops which are not the final product) in the pellet production however it is not described in the SBR why the “Final harvest sampling programme” is not applicable here.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	12 months (28-03-2017)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
<b>Comments (optional):</b>			
<b>NCR number:</b> 08125	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 3.1.1		
<b>Description of Non-conformance:</b>			
The organization has used values for calculation of fuel used in forestry based on the data provided by their forest division which is doing the harvesting. However, the organization has accounted the fuel used in forestry for sawmill residues and on the other hand did not accounted it for branch wood.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	12 months (28-03-2017)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
<b>Comments (optional):</b>			

<b>NCR number:</b> 08129	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 4.1.1		
<b>Description of Non-conformance:</b>			
The organization has provided the data to calculate the total quantity of feedstock per each class of material. During the assessment the data for saw dust and tree tops were recalculated by the auditor. Both of them did contain a difference compared to the data provided by the organization in the GHG table. The difference in both cases was around 1-2%.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	12 months (28-03-2017)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
<b>Comments (optional):</b>			

<b>NCR number:</b> 08131	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 4.4.1-3		
<b>Description of Non-conformance:</b>			
The organization is measuring moisture of the pellets 4 times per day. However, the moisture is measured only for domestic pellets. Even though the process is the same and the input material is more or less identical, the organization did not implement the measurement of the moisture of the pellets for the material under the scope of audit.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	12 months (28-03-2017)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
<b>Comments (optional):</b>			

<b>NCR number:</b> 08132	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 4.5.1		
<b>Description of Non-conformance:</b>			
<p>The organization has provided the data of the electricity consumption per reporting period. There are separate invoices for the pellet and briquette production. The division of the pellet and briquette production is than done on bases of energy audit done by external accredited organization (84,3% of energy is used in pellet production). Furthermore, there is also chipper and debarking machine which is located at the sawmill (the same area but different invoice for power). This chipper and debarking machine consumption is calculated from the value gathered from the invoice of the saw mill considering the results of the energy audit where 23% of the total saw mill energy is used by the transformer Q2 where debarking and chipping machine are connected.</p> <p>According the managing director the consumption of these two machines compared to other lines connected on transformer Q2 is 75%. However, this data are not based on any measurement and therefore the organization should obtain more precise information about the share of power used by the chipping and debarking machines compared to other lines connected to transformer Q2.</p>			
<b>Corrective action request:</b>	<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>		
<b>NCR conformance deadline:</b>	12 months (28-03-2017)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
<b>Comments (optional):</b>			
<b>NCR number:</b> 08133	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 4.7.1		
<b>Description of Non-conformance:</b>			
<p>The organization has presented the data of the diesel consumption based on reading from the diesel tank on site taking into account only the machinery used for pellet production. However, there is one truck used for loading of the chips which was not taken into account.</p>			
<b>Corrective action request:</b>	<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>		

<b>NCR conformance deadline:</b>	12 months (28-03-2017)
<b>Client evidence:</b>	
<b>Evaluation of Evidence:</b>	
<b>NCR Status:</b>	<b>Open</b>
<b>Comments (optional):</b>	

<b>NCR number:</b> 08135	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 6.1		
<b>Description of Non-conformance:</b>			
The organization does not use any roudwood from final fellings from forest types with rotation period over 40 years as the pine used is not reaching this rotation period but this information is not provided in the profiling information.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	12 months (28-03-2017)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
<b>Comments (optional):</b>			

<b>NCR number:</b> 08136	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 7.1		
<b>Description of Non-conformance:</b>			
The organization has described their SBP product groups in their SBP procedure (point 5.2) where specification of primary and secondary feedstock as well as certification status of material is mentioned. However, the classification from SBP standard was not used as the organization has not used the full wording of the product group but rather only described the kind of feedstock which is used.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	12 months (28-03-2017)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
<b>Comments (optional):</b>			

<b>NCR number:</b> 08137	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 7.2		
<b>Description of Non-conformance:</b>			
The volume of feedstock is described in the SBR and the volumes per each kind of product group can be deducted. However, the official product groups with full wording according the standard is not used by the organization.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	12 months (28-03-2017)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	Open		
<b>Comments (optional):</b>			



## Observations

<b>OBS number: 08124</b>	<b>Standard &amp; Requirement:</b>	Standard #2 V1.0 - Verification of SBP-compliant feedstock – 19.3
<b>Description of findings leading to observation:</b>	The SBR was send to external consultant for independent review. The comments received were considered and implemented where applicable. The SBR report does not contain the name of the external reviewed which might not provide the full transparency of the process.	
<b>Observation:</b>		

<b>OBS number: 08126</b>	<b>Standard &amp; Requirement:</b>	Standard #4 V1.0 - 6.3.1
<b>Description of findings leading to observation:</b>	The health and safety issues are manged by the organization in sufficient extend. There is regular training and H/S procedures are developed and followed. However, during the on-site tour it was observed that at the end of the dryer there are a bit open spot where under some circumstances sparks are falling out.	
<b>Observation:</b>		

<b>OBS number: 08127</b>	<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 3.6.1
<b>Description of findings leading to observation:</b>	There is external chipping done for the material used in dryer (forestry residues especially eucalyptus branches). The organization know the consumption per hour based on the machine description from the producers and has the information about the t of feedstock produced per hour however the organization did not include into the calculation December 2014 and therefore the average data might be a bit distorted.	
<b>Observation:</b>		

<b>OBS number: 08128</b>	<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 3.7.4
<b>Description of findings leading to observation:</b>	The obligation for gasoline blends has been introduced in 2015 the values is 2.5 percent. Thus, the organization did not taken this into account.	
<b>Observation:</b>		

<b>OBS number: 08130</b>	<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 4.1.2	
<b>Description of findings leading to observation:</b>	The organization has a weighbridge in place, but it is not using it for material delivered and instead is calculating m3 based on default values for each truck. It is recommended to implement measurement of weigh for each delivery of the material.		
<b>Observation:</b>			

<b>OBS number: 08134</b>	<b>Standard &amp; Requirement:</b>	SBP Instruction document 5A V1.0 – requirement 6.1	
<b>Description of findings leading to observation:</b>	Information about proportion of biomass derived from saw logs is included in the profiling information. The organization has used the national industry specification of the saw logs (diameter greater than 15cm) and based on this specification the material which is classified as sawmill residues was included under this section. However, considering the fact that such material is not suitable for saw mill production (as it was already rejected at the saw mill production) it might provide misleading information for the stakeholders.		
<b>Observation:</b>			

# 11 Certification decision

<b>Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation:</b>	
<input checked="" type="checkbox"/>	Certification approved: Upon acceptance of NCR(s) issued above
<input type="checkbox"/>	Certification not approved:
<b>Based on auditor's recommendation and NEPCon quality review following certification decision is taken:</b>	
<b>NEPCon certification decision:</b> The Biomass Producer has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate can be issued immediately after SBP technical committee will approve the report. The expiration of the certificate will be then 5 years.	
<b>Certification decision by: Nikolai Tochilov</b>	
Date of decision: <b>29 March 2016</b>	

## 12 Surveillance updates

Not applicable.

## 13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Francisco Fernandes
Auditor(s):	Ondřej Tarabus, Pilar Goría
People Interviewed, Titles:	Francisco Fernandes – SBP responsible Manuel Fernandes – H/S responsible Giovanni Alencastro – external consultant Paula Afonso – Financial department Jose Afonso – Production department
Brief Overview of Audit Process for this Location:	See section 6.2
Comments:	N/A