

SBP

Sustainable Biomass Partnership

NEPCon Evaluation of Palser Bioenergia e Paletes, Lda Compliance with the SBP Framework: Public Summary Report

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

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

Report completion date: 10/08/2016

Report authors: Pilar Gorriá Serrano

Certificate Holder: Palser Bioenergia e Paletes, Lda. 6101 - 909

Producer contact for SBP: Rui Pedro, qualidade@palser.pt, +351274600600

Certified Supply Base: Portugal continental

SBP Certificate Code: SBP-01-32

Date of certificate issue: 02/Sep/2016

Date of certificate expiry: 01/Sep/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
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 office and pellets production site in Sertã, 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 secondary feedstock only. Most of the material (cca 80%) is sourced from the 2 sawmills from Palser’s group and some 20% of material is sourced from external suppliers.

Primary and tertiary feedstock are not used for pellets production.

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

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)
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 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			
Chain of custody system implemented:	<input checked="" type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>
	<input type="checkbox"/> Transfer	<input checked="" type="checkbox"/> Percentage		<input type="checkbox"/> Credit	<input type="checkbox"/>

Points of sales	<input type="checkbox"/> Harbour (including own handling of material)	<input checked="" type="checkbox"/> Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbour	<input checked="" type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)	<input type="checkbox"/>
	-	- Figueira da Foz	- Gate of the BP	
Provide name of all points of sales	-	-	-	
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;
- 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

Instruction document 5A Collection and Communication of Data version 1.0. March 2015

<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

The Palser group started their operation in 1984 resulting from the effort of two workers who had the opportunity to acquire a small sawmill, which subcontracted the sawing of logs.

Currently Palser with two plants, in Sertã and in Palmela, has 160 employees and has a registered capital of 5.000.000 Euros. The manufacturing plant develops its main activities such as sawmill, production and recovery of pallets and wooden packaging in three manufacturing units, electric power production from forest biomass and pellets production.

The input material for the pellet production is sawdust sourced from wood industries.

The flow of the primary feedstock at the Group level starts with the sawmill Pinhoser. Pinhoser sources sawntimber to the pallets production factory (the main activity in the Group) and sawdust for the pellets production. For the energy flow, forest biomass from thinning, forest residues and industry residues (without quality for pellets production) are used in a cogeneration energy plant based in the same facilities. The heat obtained as co-product of the process of obtaining electricity is used as an input in the pellets drier. The total amount of electricity produced with CHP in Palser is sold to the grid, there is not internal use of this electricity.

All incoming feedstock is either FSC certified, FSC Controlled or controlled according to the existing FSC Controlled wood verification program. Until the assessment no FSC Certified material have been purchased, but internal procedures include this possibility. 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 percentage system. Pellets are transported by truck and sold at Sines Port. Transport responsibility is hold by the customer from Figuera da Foz harbour under incoterms conditions FOB.

5.2 Description of Biomass Producer's Supply Base

For the manufacture of pellets, Palser is supplied exclusively from secondary feedstock (sawdust) originated by sawing wood of maritime pine (*Pinus pinaster*) from Portugal.

According to the preliminary results of the last national forest inventory turns out that in 2010 the forest soil use represents the dominant use in continental Portugal, occupying 3 154 800 ha (35.4% of the territory), which puts Portugal in the average of the 27 European Union countries (37.6%, SOEF, 2011).

The Portuguese forest is mostly private, occupying public forest areas only 2% of the total forest area. About 8% of the forest areas is covered by a community management (known as baldios). The remaining 90% belong to private individuals or business owners. The land ownership is divided in about 11 million farm buildings of which only a part that represents about 53% of the area is subject to registration (cadastro). The forest properties are,

on average, smaller, and may not exceed 1 hectare in central and northern regions of the country. The management of the forest subject to Forest management plans already covered in 2013 about 44% of the forest area.

Sustainable forest management certified by systems like FSC and PEFC cover around 12% of the total forest area, with a predominance of eucalyptus and cork tree. The maritime pine management is held in high forest, taking advantage of areas of natural regeneration, or installed mainly by planting, and after performing the thinning and pruning over the life of the stand.

Initial densities are just 1200 trees/ha at the moment of planting to half at the end of the revolution, which can go from 30 to 40 years.

The trade balance of the forest industry is very positive for Portugal, with a positive balance 2,47 m € in 2013 (INE, 2014), representing over 9% of total national exports of goods. In the case of sub-sector of Wood and Wooden Furniture exports accounted for about 2.6% on that year. At national level, the export of "wood in chips, sawdust, wood waste and wood waste including pellets and briquettes" grew up around 48% in the period between 2011 and 2013, which made this the sub-sector that grew the most during this period in sub-sector "Wood".

5.3 Detailed description of Supply Base

- a. Total Supply Base area (ha): cumulative area of all forest types within SB:
 - Portugal: 9 209 000 ha
 - Forest: 3 155 000 ha
- b. Tenure by type (ha):
 - Privately owned and community concession: 98% - 3 091 000 ha
 - Public: 2% - 63 000 ha
- c. Forest by type (ha): temperate 100%
- d. Forest by management type: Plantation: 891.000 ha
- e. Managed natural: 2.267.000 ha Certified forest by scheme (ha): 374 751 ha total area FSC + PEFC (dual certification)

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody (SGSCH-COC-009172) with FSC Controlled wood in the scope of the certificate. Critical control points of the FSC CoC system were evaluated also during SBP assessment.

The Organisation has implemented FSC percentage 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 percentage management, the proportion of the SBP-compliant and SBP-controlled biomass is calculated and the SBP compliant will be sold as 100% certified.

6 Evaluation process

6.1 Timing of evaluation activities

The assessment was carried out on 15th and 16th June. Two days were needed for the onsite audit and two additional days for the documentation review prior and after the audit.

Activity	Place	Auditor(s)	Data/hora
Opening meeting *	Office,	PG, RS	15/06/2016 10.00-10.30
Documents revision, procedures and feedstock	Office,	PG, RS	15/06/2016 10:30-12.30
Interviews with purchases responsible personal	Purchasing department	PG, RS	15/06/2016 12:30-13:15
Break		PG, RS	15/06/2016 13:15-14:15
GHG Calculations review Energy and Carbon data collection and communication	Office,	PG, RS	15/06/2016 14:15-17:45
Internal meeting for audit team and first day conclusions with BP staff.	Office,	PG, RS	15/06/2016 17:45-18:15
Opening meeting	Office,	PG, RS	16/06/2016 09:00-09:15
Chain of Custody revision and facilities tour Interviews with personal: reception, production and storage.	Production facilities	PG, RS	16/06/2016 9:15 – 11:00

Interviews with staff: sales department	Sales department	PG, RS	16/06/2016 11:00-11:30
Document review and procedures. Interviews	Office,	PG, RS	16/06/2016 11:30 – 12:00
Audit team – internal meeting	Office,	PG, RS	16/06/2016 12:00 – 12:30
Closing meeting - results *	Office,	PG, RS	16/06/2016 12:30 – 13:00
Estimated time to finish the audit			16/06/2016 13:00

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 CoC system and FSC CoC system control points as well as the collection of the energy and emission data.

Description of the assessment evaluation:

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 assessment.

Auditor was welcomed in Palser. Audit started with an opening meeting attended by the Quality Manager, the Chief Officer and Pellets Production Manager.

Auditors introduced themselves, 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 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.

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 Palser.

Composition of audit team:

Auditor(s), roles	Qualifications
Pilar Gorriá 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 more than 5 years’ experience as auditor under the following schemes: FSC FM, FSC CoC, PEFC CoC and Carbon Footprint in Spain and Portugal.
Rui Simoes Trainee auditor	Rui is a forestry engineer with more than 20 year experience in different forest project, management plans and forest management and Chain of Custody audits. FSC, PEFC in FM and COC auditor for NEPCon. SBP auditor in training.

6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on 7th of May, 2016 by sending direct email to different stakeholder categories: state institutions, local NGOs, authorities, government bodies, forest owners associations, academic and research institutions. The stakeholder notification letter is added as an Exhibit No. 2 to this report.

7 Results

7.1 Main strengths and weaknesses

The main strength of Palser is the structure and internal set up of the organisation. Palser Bioenergy and Pallets brings together a number of companies connected to the forest sector which feed ones to others in terms of feedstock and energy.

One of the strengths of Palser is its own structure and organization that responds to a sustainable management of natural resources.

Weakness: See NCRs issued.

7.2 Rigour of Supply Base Evaluation

Not applicable

7.3 Compilation of data on Greenhouse Gas emissions

For the pre-assessment the organization has recorded partially data on greenhouse gas emissions and has only started for purposes of the SBP certification. Some data required for the GHG calculation were supported by weak evidence as the organization did not collect all information on regular basis in the IT system during 2015 before the decision to go for SBP certification was taken. However, the newly established system for GHG data collection is already implemented for the assessment. Some minor NCR were issued.

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 pre-assessment and the assessment was found that their competences, expertise and capacities were suitable to implement SBP certification requirements:

- Rui Pedro, Quality manager
- Paulo Jacinto – Pellets production manager

7.5 Stakeholder feedback

Audit team didn't receive any comment from stakeholder connected with the performance of the BP or the SBP requirements. Stakeholders answered that they have no comments.

7.6 Preconditions

Not applicable

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: 01/16	NC Classification: minor	
Standard & Requirement:	SBP Standard 2 requirement 6.2.	
Description of Non-conformance and Related Evidence:		
<p>During the reporting period there was not SBP compliant feedstock received. The BP has developed an internal audit programme detailed in the procedure SBP 01 by witch the quality team in Palser conducts 1 supplier audit every 2 months to verify the harvesting place of the wood used for the sawdust provided to Palser. The BP has 16 suppliers, so in 2 years all the supplier list will be visited by the BP. During the assessment 2 supplier audit reports were reviewed (Supplier: Serbavo Lda and Rodrigues e Nogueira). During the supplier audits Palser asks for a sample of “manifestos”, verifies the place of harvesting and keep the record in the audit report.</p> <p>Although the auditor considers that the procedure is well implemented by Palser, this procedure is only applicable to the suppliers that are not FSC COC certified. Palmela and Pinohser, are both companies from the same group and the material provided is claimed as FSC Controlled Wood in the delivery document but the fact that place of harvesting is inside or outside the supply base is not verified.</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 (10/08/2016)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
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: Major	
Standard & Requirement:	SBP Standard 2 requirement 7.2.	
Description of Non-conformance and Related Evidence:		
<p>Palser has provided the SBR to the auditor but at the moment of assessment it is not accessible on the BP's website.</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</p>	

	root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to issue the certificate
Evidence Provided by Organisation:	http://www.palser.eu/docs/Palser-SBP-Supply-Base-Report.PDF
Findings for Evaluation of Evidence:	Prior to review this report the BP update the Supply Base in their website available in both versions English and Portuguese.
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 checked="" type="checkbox"/> No <input type="checkbox"/>

NCR: 03/16	NC Classification: Minor
Standard & Requirement:	SBP Standard 2 requirement 20.2.
Description of Non-conformance and Related Evidence:	
Based on the interviews conducted during the assessment, the requirement about informing SBP of any substantiated complaints within 30 days is well understood by quality manager. The BP will inform SBP of any substantiated complaints within 30 days of the completion of the BP's analysis, but during the assessment there was no procedures to evidence this indicator.	
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 (10/08/2016)
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
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: 04/16	NC Classification: Minor
Standard & Requirement:	SBP Standard 4 requirement 5.4.1.
Description of Non-conformance and Related Evidence:	
SBP procedures don't require to maintain records about the customers including their SBP certificate code.	
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 (10/08/2016)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
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: 05/16	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 the note 4B. See MdR-02 section 9. 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:	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 (10/08/2016)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
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: 06/16	NC Classification: Minor	
Standard & Requirement:	SBP Standard 5a requirement 2.2.3.	

Description of Non-conformance and Related Evidence:	
<p>Average values are considered by the BP in the GHG table. Measurements are recorded in hard copies by the BP staff and all of them were available for the assessment.</p> <p>Not all the data in hard copies are also registered in the IT system. For this reason, prior to calculate average values, responsible staff needs to record all the data in an informatics support (excel or other) to handle the numbers and get average figures.</p> <p>In some cases the BP has not used all the data available in hard copies to calculate the final values and only a sample of those data available were used. Thus the final value included in the GHG table is not as accurate as it shall be.</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 (10/08/2016)
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
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: 07/16	NC Classification: Minor
Standard & Requirement:	SBP Standard 5a requirement 3.7.2.
Description of Non-conformance and Related Evidence:	
<p>In the case of sawdust, the BP has calculated the distances under the assumption that Pinohser is the most important supplier in terms of volumes and the distance is 7km. The BP used the value 20km to consider other suppliers that are not as close as Pinoshser is, with lower representativeness in terms of total volume. This value of 20 km. is an estimation.</p> <p>During the audit, it was verified that there are other suppliers as Serraçao Progresso e Palpau located around 25 km or Palmela located more than 100km away that also source important amount of secondary feedstock. Auditor considers that there are not enough evidences to justify the value of 20 km used as average distance.</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 (10/08/2016)
Evidence Provided by Organisation:	PENDING

Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
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: 8/16	NC Classification: Minor	
Standard & Requirement:	SBP Standard 5a requirement 4.7.1.	
Description of Non-conformance and Related Evidence:		
<p>The diesel used for the Palsar company comes from their own tank. There is a system in place to record the amount of fuel used by each machinery and it was shown that records with vehicle, model and license plate are kept. Diesel consumed based on this will be accurate for all the machinery that is specifically used in the pellets production but it was also found that some vehicles like Caterpillar or Linde (empilhador) are shared between pellets, pallets and CHP.</p> <p>Based in the interviews with different staff about the time spent on each facility the BP established that around of 30% of the shared equipment is dedicated to pellets production.</p> <p>The control of diesel used is established at the level of the group and the total amount is not exclusively for the purpose of the pellets production.</p>		
Corrective action request:	<p>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.</p>	
Timeline for Conformance:	12 months from report finalization (10/08/2016)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
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: 09/16	NC Classification: Minor	
Standard & Requirement:	SBP Standard 5a requirement 4.2.1.	
Description of Non-conformance and Related Evidence:		
<p>Moisture of feedstock is measured and record in hard copy at the BP entrance. Values are kept in hard copies and values are not recorded in the IT system, thus there are not a proper availability of the data to be used by the BP in order to provide an average of all the values collected. Value used for the reporting period is the average for December 2015.</p> <p>Considering the variability of feedstock moisture values along the year, the average used from December is not as representative as it shall be of the entire reporting period.</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 (10/08/2016)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
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: 10/16	NC Classification: Minor	
Standard & Requirement:	SBP Standard 5a requirement 4.5.3.	
Description of Non-conformance and Related Evidence:		
<p>The organization has provided the data of energy used for production of pellets. There aren't other production lines included in the amount provided but the office has not been excluded.</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 (10/08/2016)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
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: 11/16	NC Classification: Minor	
Standard & Requirement:	SBP Standard 2 (2C 4.1.)	
Description of Non-conformance and Related Evidence:		
<p>The Supply Base Report meets most of the requirements of SBP and includes the most relevant technical information about the SB. It has been developed covering figures designated in SBR report template and it is completed by using the latest version of the SBR Template for Biomass producers. During the SBR revision it has been found some mistakes or details missing:</p> <ul style="list-style-type: none"> • Weblink to the standard used is missing in the English version. • In point 2.5. there was not specified the number of hectares of plantation /natural forest in the Supply Base • Point 3 only says that SBE is not completed but in the report is not said why is it not applicable. 		
Corrective action request:	<p>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.</p>	
Timeline for Conformance:	12 months from report finalization (10/08/2016)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
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: 12/16	NC Classification: Minor	
Standard & Requirement:	SBP Standard 5a, 6.2.1.	
Description of Non-conformance and Related Evidence:		
<p>Current version of SBP Standard 5 is used for collection and communication data but no procedures or specific information exists in case the standard changes.</p>		
Corrective action request:	<p>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.</p>	
Timeline for Conformance:	12 months from report finalization (10/08/2016)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	

NCR Status:	OPEN
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"/>

OBS: 01/16	Standard & Requirement:	SBP Standard 2 requirement 1.1.
	Report Section	Appendix A p 1.1
Description of findings leading to observation:	<p>The BP has currently defined their Supply Base as Portugal continental. All the records reviewed during the assessment support this statement.</p> <p>Note: During the pre-assessment was found that one of the supplier "Palmela-Palser" is also FSC Controlled Wood certified and the Controlled Wood Verification Programme also cover Spain with the correspondent national risk assessment. The BP has interviewed the responsible staff in Palmela and it was confirmed that no material from Spain has been purchased during 2015 and there are no plan either for 2016.</p>	
Observation:	The BP should make sure that the Supply Base is consistent and no material from outside the SB enters for SBP production.	

OBS: 02/16	Standard & Requirement:	SBP Standard 2 requirement 15.7
	Report Section	Appendix A p 3.7
Description of findings leading to observation:	<p>The BP develops a training program every year base on the request done by each department and this training programme is approved by HQ. During the assessment the training programme for 2016 was showed as well as some trainings about FSC Chain of Custody. It also contains a training about SBP scheduled for 2016 but no formal training about SBP has been conducted yet.</p> <p>Based on the interviews conducted during the assessment, the audit consider that the even though no "formal training" has been implemented, the responsible person are well aware about their responsibilities and tasks in connection with SBP procedures.</p>	
Observation:	The BP should fully implement its internal.	

OBS: 03/16	Standard & Requirement:	SBP Standard 2 requirement 7.2.
	Report Section	Appendix A p 1.4.

<p>Description of findings leading to observation:</p>	<p>The relevant staff is aware about requirement of passing sustainability information to the next legal owner thought the following documentation:</p> <ul style="list-style-type: none"> • Invoice and delivery notes • Batch specific • Profiling information • SBR • GHG table <p>During the assessment, relevant staff informed about the intention to include this information as part of the sales procedures but at the time to close this report, no evidences about it has been found</p>
<p>Observation:</p>	<p>The BP should include this information as part of the sales procedures.</p>

<p>OBS: 04/16</p>	<p>Standard & Requirement:</p>	<p>SBP Standard 5a requirement 3.2.1</p>
	<p>Report Section</p>	<p>Appendix C p 4.2.1.</p>
<p>Description of findings leading to observation:</p>	<p>Data at the entrance of Palser is measured in cubic meters. Used value for conversion between cubic meters and tonnes is 3.3. This value is provided by the supplier Pinohser (a sister company from the same group). During the audit, a sample of weigh records and volumes were reviewed and the value of 3.3 was confirmed by the auditor.</p> <p>This values are not systematically saved in the IT system, they are only recorded in the delivery notes and weight tickets. The sampling reviewed during the assessment: GR/A1804 (conversion factor used 3.2), Fact 015/188 (Conversion factor used 3.5) and AT2015/2176 (conversion factor used 3.2).</p> <p>In order to improve the accuracy of the data a new procedure will be implemented, by which Palser will weigh the first 10 trucks every month, average values will be calculated for the month and the real monthly value will be used for this conversion unit. This new procedure has not been implemented by the assessment.</p>	
<p>Observation:</p>	<p>The BP should implement the new procedure explained to the auditor in the next period.</p>	

OBS: 05/16	Standard & Requirement:	SBP Standard 5a requirement 3.7.3.
	Report Section	Appendix C p 4.7.3.
Description of findings leading to observation:	Actual values are used for the diesel consumption based on the information provided by the truck drivers. Value used is 40l/100km. Considering that the trucks are owned by Palsar the BP has the possibility to use a value from its own sources of information.	
Observation:	The BP should use the values from its own sources if possible.	

OBS: 06/16	Standard & Requirement:	SBP Standard 5a requirement 3.7.4.
	Report Section	Appendix C p 4.7.3.
Description of findings leading to observation:	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 GHG table. Source: http://www.enmc.pt/pt-PT/atividades/biocombustiveis/explicador/incorporacao-metas-e-obrigacoes-2/ .	
Observation:	The BP should report the percentage of biodiesel used in Portugal.	

OBS: 07/16	Standard & Requirement:	SBP Standard 5a requirement 5.5.2.
	Report Section	Appendix C p 4.4
Description of findings leading to observation:	The control system implemented will allow to work with SBP compliant if the company purchase FSC Certified feedstock. Organization has 2 claims under the scope: SBP Compliant biomass and SBP Controlled biomass. In the invoice reviewed the claim used is "SBP Controlled" instead of the full claim "SBP Controlled biomass"	
Observation:	The BP should use the full SBP claim "SBP Controlled biomass" or "SBP Compliant biomass" in the sales documents..	

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: 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.	
Certification decision by: Ondrej Tarabus	
Date of decision: 10th August 2016	

12 Surveillance updates

Not applicable.

13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Rui Pedro, Quality System Manager
Auditor(s):	Pilar Gorriá, Lead auditor Rui Simoes – auditor in training
People Interviewed, Titles:	Libânio Nunes – Manager Paulo Jacinto – Resp. Qualidade Unidade Pellets Rui Pedro, Quality System Manager Diogo Campino – Operator (loader) Miguel Martins – Sales Dimas Antonio – Operator (production)
Brief Overview of Audit Process for this Location:	See point 6.2.
Comments:	N/A