

# SBP

Sustainable Biomass Partnership

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

First Surveillance Audit

[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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# Contents

<b>1</b>	<b>Overview</b> .....	<b>1</b>
<b>2</b>	<b>Scope of the evaluation and SBP certificate</b> .....	<b>2</b>
<b>3</b>	<b>Specific objective</b> .....	<b>4</b>
<b>4</b>	<b>SBP Standards utilised</b> .....	<b>5</b>
4.1	SBP Standards utilised .....	5
4.2	SBP-endorsed Regional Risk Assessment .....	5
<b>5</b>	<b>Description of Biomass Producer, Supply Base and Forest Management</b> .....	<b>6</b>
5.1	Description of Biomass Producer .....	6
5.2	Description of Biomass Producer’s Supply Base .....	6
5.3	Detailed description of Supply Base .....	7
5.4	Chain of Custody system .....	7
<b>6</b>	<b>Evaluation process</b> .....	<b>8</b>
6.1	Timing of evaluation activities .....	8
6.2	Description of evaluation activities .....	9
6.3	Process for consultation with stakeholders .....	10
<b>7</b>	<b>Results</b> .....	<b>11</b>
7.1	Main strengths and weaknesses .....	11
7.2	Rigour of Supply Base Evaluation .....	11
7.3	Compilation of data on Greenhouse Gas emissions .....	11
7.4	Competency of involved personnel .....	11
7.5	Stakeholder feedback .....	11
7.6	Preconditions .....	11
<b>8</b>	<b>Review of Biomass Producer’s Risk Assessments</b> .....	<b>12</b>
<b>9</b>	<b>Review of Biomass Producer’s mitigation measures</b> .....	<b>13</b>
<b>10</b>	<b>Non-conformities and observations</b> .....	<b>14</b>
<b>11</b>	<b>Certification decision</b> .....	<b>15</b>
<b>12</b>	<b>Surveillance updates</b> .....	<b>16</b>
12.1	Evaluation details .....	16
12.2	Significant changes .....	16
12.3	Follow-up on outstanding non-conformities .....	16

12.4	New non-conformities .....	25
12.5	Stakeholder feedback .....	25
12.6	Conditions for continuing certification .....	25
12.7	Certification recommendation .....	25
<b>13</b>	<b>Evaluation details.....</b>	<b>26</b>

# 1 Overview

CB Name and contact: NEPCon

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

Report completion date: 20/Sep/2017

Report authors: Rui Simões

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

Producer contact for SBP: Rui Pedro, [qualidade@palser.pt](mailto: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
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Scope of the evaluation and SBP certificate

Production of wood pellets, for use in energy production, at Palser Bioenergia e Paletes, Lda and transportation to the Port of Figueira da Foz. 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 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.

The scope of the certificate does not include Supply Base Evaluation.

Scope Item	Check all that apply to the Certificate Scope			Change in Scope (N/A for Assessments)	
<b>Approved Standards:</b>	SBP Standard #2 V1.0 SBP Standard #4 V1.0 SBP Standard #5 V1.0 <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 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			
<b>Chain of custody system implemented:</b>	<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"/>
<b>Points of sales</b>	<input type="checkbox"/> Harbour Permanent storage (Storage site)	<input checked="" type="checkbox"/> Harbour (e.g. FOB incoterms) Temporally storage (Logistic site)	<input type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		<input checked="" type="checkbox"/>

<b>Provide name of all points of sales</b>	- - -	- Figueira da Foz - -	- - -	
<b>Use of SBP claim:</b>	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
<b>SBE Verification Program:</b>	<input type="checkbox"/> Low risk sources only		<input type="checkbox"/> Sources with unspecified/ specified risk	
	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 CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- SAR and profiling data collection analysis;



## 4 SBP Standards utilised

### 4.1 SBP Standards utilised

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

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

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

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

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

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

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

### 4.2 SBP-endorsed Regional Risk Assessment

Not applicable.

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

### 5.1 Description of Biomass Producer

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 sawn timber 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. 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 Figueira da Foz harbour or to a storage site in the middle of the way, from plant to harbour (Pombal). Transport responsibility is hold by the customer from Figueira da Foz harbour under incoterms conditions FOB.

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

For pellets manufacture, 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".

[link to the Supply Base Report](#)

<http://www.palser.eu/docs/Supply-Base-Report-2017-EN.pdf>

## 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 Managed natural: 2.267.000 ha
- e. Certified forest by scheme (ha): 374 751 ha total area FSC + PEFC (dual certification)

## 5.4 Chain of Custody system

The Organisation holds a valid FSC Chain of Custody (SGSCH-COC-009172) with pellets included in the product group and 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

Activity	Location	Auditor(s)	Date/time
Opening meeting of the evaluation*	Office,	RS	20/06/2017 10.30-11.00
Open NCR's and OBS evaluation	Office,	RS	20/06/2017 11.00-12.00
Documents and procedures review. Inputs review	Office,	RS	20/06/2017 12:00-13.00
Break		RS	20/06/2017 13:00-14:00
Interview with Purchasing department representative and reception visits if needed	Purchasing department	RS	20/06/2017 14:00-15:00
Energy calculation review	Office,	RS	20/06/2017 15:00-17:15
Presentation of the results of the first day of assessment and planning following day	Office,	RS	20/06/2017 17:15-17:30
SBP: Chain of custody review (site tour); interview with roundwood acceptance department	Production facilities	RS	21/06/2017 09:00-11:00
Interview with Sales department representative	Sales department	RS	21/06/2017 11:00-12:00
SBP: Records	Office,		21/06/2017

			12:00-13:00
Break		RS	21/06/2017 13:00-14:00
Last informations, stakeholders or documents	Office,	RS	21/06/2017 14:00 – 15:00
Auditor preparation	Office,	RS	21/06/2017 15:00 – 16:00
Closing meeting of the evaluation*	Office,	RS	21/06/2017 16:00 – 16:30
Estimated end of the evaluation			21/06/2017 17:00

## 6.2 Description of evaluation activities

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

Description of the annual audit:

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

Auditor was welcomed in Palser. Audit started with an opening meeting attended by the Quality Manager, the Chief Officer and the rest of the certification team.

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

After that auditor went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction documents 5a, 5b and 5c covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant and SBP Controlled feedstock/ biomass.

During this 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 and to Industrial Production Responsible.

Composition of audit team:

Auditor(s), roles	Qualifications
Rui Simões	<p>Forestry engineer &gt; 20 year experience in forest project, management and works. Author of several fluvial and desertic restoration projects and field works.</p> <p>FSC, PEFC in SBP and COC auditor for NEPCon. International experience working on English, Spanish and French language, besides mother Portuguese.</p>

Impartiality commitment: NEPCon commits to using impartial auditors and our clients are encouraged to inform NEPCon management if violations of this are noted. Please see our Impartiality Policy here: <http://www.nepcon.org/impartiality-policy>

### 6.3 Process for consultation with stakeholders

No consultation was conducted for this surveillance audit and no comments were received from any stakeholder during the period between audits.

## 7 Results

### 7.1 Main strengths and weaknesses

Strengths: The BP has implemented a robust system in collaboration with its supplier (Pinhoser from PALSER Group) to obtain information about the origin of the wood.

Weaknesses: Until the audit day any SBP product sales was done by Organization.

### 7.2 Rigour of Supply Base Evaluation

Not applicable

### 7.3 Compilation of data on Greenhouse Gas emissions

SAR completion has been done according to the standard and no NCR have been issued.

### 7.4 Competency of involved personnel

During this annual audit, it was identified that number of staff members involved into the SBP system management and implementation has increased. Interviewed staff demonstrated awareness of their responsibilities within SBP system. Overall responsible staff was familiar with the SBP requirements.

### 7.5 Stakeholder feedback

No stakeholder comments were received

### 7.6 Preconditions

No preconditions to this certification were identified at the time of this surveillance audit.

## 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

<b>OBS: 01/17</b>	<b>Standard &amp; Requirement:</b>	SBP Standard 2 (2C 4.1.)
	<b>Report Section</b>	Appendix A p.4.1.
<b>Description of findings leading to observation:</b>	<p>Detailed number of natural management or plantation on pine forest on section 2.5. is the following: <i>Forest by management type (ha): 714 000 ha (Maritime Pines) Plantation/managed natural</i></p> <p>Forest pines are from 3 different types:</p> <ul style="list-style-type: none"> <li>• Natural regeneration without an active management</li> <li>• Old forest which origin can be regeneration or plantation (minority)</li> <li>• Planted forest with an active management (minority)</li> </ul> <p>The BP justifies that there are no specific and credible statistic data that difference plantation or managed natural for this pine forest.</p>	
<b>Observation:</b>	The organization should made a research and update the data in case a more accurate data about plantation/managed natural pine forest exist.	

<b>OBS: 02/17</b>	<b>Standard &amp; Requirement:</b>	SBP Standard 4 Outsourcing scope
	<b>Report Section</b>	Appendix B
<b>Description of findings leading to observation:</b>	The BP use a warehouse in Pombal to store material with transfer system for fast loading of ships. It was never used for certified SBP pellets and at this stage it is consider out of the scope	
<b>Observation:</b>	If in the future, the BP aims to use Pombal facilitates to store SBP material, the BP should notify the CB and an onsite visit will be requested to include it in the scope.	

## 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: No NCR(s) issued
<input type="checkbox"/>	Certification not approved:
<b>Based on auditor's recommendation and NEPCon quality review following certification decision is taken:</b>	
<p><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 NEPCon will obtain the approval from SBP technical committee. The expiration of the certificate will be then 5 years.</p>	
<b>Certification decision by: Pilar Gorría Serrano</b>	
Date of decision: <b>20-09-2017</b>	
<b>Next surveillance audit should take place:</b>	<input checked="" type="checkbox"/> within 12 months <input type="checkbox"/> more frequently (please specify)

## 12 Surveillance updates

### 12.1 Evaluation details

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

### 12.2 Significant changes

No changes were find significant to SBP or FSC scope.

### 12.3 Follow-up on outstanding non-conformities

<b>NCR number:</b> 01/16	<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>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 which 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>			
<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 from report finalization (10/08/2016)		
<b>Client evidence:</b>	<p>Written procedures were modified on section 3 Exhibit 1- Procedimento SBP01.</p> <p>First audits of FSC certified sawmills started at 15/09/16.</p>		

<b>Evaluation of Evidence:</b>	<p>New procedure of BP includes the corrective action of verification place of harvesting of all the supplies sampled, including FSC material.</p> <p>Verified procedures and evidence documents are considered sufficient to close NCR and they include:</p> <ul style="list-style-type: none"> <li>- Exhibit 1- Procedimento SBP01.(Exhibit 1)</li> <li>-Supplier verification report nº04/2016 from 15/09/2016 and</li> <li>-manifest nº 20016/648278 from sub-supplier Madeiras de Cernache Lda. This manifest was one of five verified during the sub-supplier audit by Palser team.</li> <li>-Ricardo Folgado (Quality Department), was interviewed to confirm the results</li> </ul>
<b>NCR Status:</b>	<b>CLOSED</b>
<b>Comments (optional):</b>	

<b>NCR number:</b> 03/16	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	SBP Standard 2 requirement 20.2.		
<b>Description of Non-conformance:</b>			
<p>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.</p> <p><i>"The BP will inform SBP of any substantiated complaints within 30 days of the completion of the BP's analysis of the complaint. (20.2)"</i></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 from report finalization (10/08/2016)		
<b>Client evidence:</b>	Organization has modified its Procedure (Exhibit 1 – SBP 01)		
<b>Evaluation of Evidence:</b>	The BP included the requirement to inform SBP within a 30 days timeframe of any substantiated complaint according to its written and implemented procedures (Section 7 - Exhibit1).		
<b>NCR Status:</b>	<b>Closed</b>		
<b>Comments (optional):</b>			

<b>NCR: 04/16</b>	<b>NC Classification: Minor</b>	
<b>Standard &amp; Requirement:</b>	SBP Standard 4 requirement 5.4.1.	
<b>Description of Non-conformance and Related Evidence:</b>		
<p>SBP procedures don't require to maintain records about the customers including their SBP certificate code.</p> <p><i>Biomass supplied with an SBP claim shall, in addition to meeting the requirements specified in the SBP-approved CoC system being implemented, be supplied with the following information: (5.4.1)</i></p> <ul style="list-style-type: none"> <li>a) <i>The name and address of the buyer;</i></li> <li>b) <i>The date on which the invoice was issued;</i></li> <li>c) <i>A description of the product – this must correspond to the description of the product given in the input and output records</i></li> <li>d) <i>The quantity of the products sold with specific batch data</i></li> </ul>		
<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>Timeline for Conformance:</b>	12 months from report finalization (10/08/2016)	
<b>Evidence Provided by Organisation:</b>	BP has modified its written procedures to include the requirement (section 7 Exhibit1)	
<b>Findings for Evaluation of Evidence:</b>	BP has procedures to record the certificate numbers and all information provided by DTS. It didn't happen yet because until the audit day the BP didn't sale any SBP product. (section 7 of Exhibit 1).	
<b>NCR Status:</b>	<b>CLOSED</b>	
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"/>

<b>NCR: 05/16</b>	<b>NC Classification: Minor</b>	
<b>Standard &amp; Requirement:</b>	SBP Standard 4. 2C requirement 4.1.	
<b>Description of Non-conformance and Related Evidence:</b>		
<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"> <li>• The SBP trademarks shall not be used in a way that could cause confusion, misinterpretation or loss of credibility to the SBP</li> <li>• SBP trademarks shall not be used connected with activities outside the scope</li> <li>• Products which are promoted as SBP-certified shall be included in the organization's certified product group schedule</li> <li>• Only the SBP logo artwork provided directly from the SBP secretariat shall be used</li> <li>• Only the SBP logo artwork provided directly from the SBP secretariat shall be used</li> </ul>		

<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>Timeline for Conformance:</b>	12 months from report finalization (10/08/2016)	
<b>Evidence Provided by Organisation:</b>	SBP 01 (Exhibit1 ) page 5	
<b>Findings for Evaluation of Evidence:</b>	BP has changed its written procedures (Exhibit 1 page 5 - Uso da Marca) including the requirement and also staff is aware of them. No use of TM were done until audit day.	
<b>NCR Status:</b>	<b>CLOSED</b>	
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"/>

<b>NCR: 06/16</b>	<b>NC Classification: Minor</b>	
<b>Standard &amp; Requirement:</b>	SBP Standard 5a requirement 2.2.3.	
<b>Description of Non-conformance and Related Evidence:</b>		
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.  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.  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.		
<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>Timeline for Conformance:</b>	12 months from report finalization (10/08/2016)	
<b>Evidence Provided by Organisation:</b>	Changing were done on moisture, distances and diesel consumption registers SBP_NF_0609_16_Registo Humidades Exhibit 13-Registo de Humidades	
<b>Findings for Evaluation of Evidence:</b>	Organization has changed the way average is calculated on moisture, distances and diesel consumption. For moisture for example it is recorded on TI: -Sawdust is measured 1 time / hour; -Presses and pellets 4 time /8hour scale.	

	<p>Finally the average is done monthly and after that the average of averages. During the audit the records were verified on paper support and TI</p> <p>For details about distances see NCR 07/16 and for diesel consumption see NCR 08/17.</p>
<b>NCR Status:</b>	<b>CLOSED</b>
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"/>

<b>NCR: 07/16</b>	<b>NC Classification: Minor</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 5a requirement 3.7.2.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>In the case of sawdust, the BP has calculated the distances under the assumption that Pinhoser 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 Pinhoser 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 Serraço 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>	
<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>Timeline for Conformance:</b>	12 months from report finalization (10/08/2016)
<b>Evidence Provided by Organisation:</b>	Changed the SBP procedures SBP_NF_07_16_KM Serradura Exhibit 12-Inputs 4_11-2016
<b>Findings for Evaluation of Evidence:</b>	<p>SBP_NF_ NF_07_16_KM Serradura</p> <p>During the audit it was possible to see the results of the corrective action, which includes the record of all distances of sawdust supplies. Then a verification of distances was sampled, and the following were verified:</p> <p>23/08/16 two loads Pinhoser and one load 19/11/16.                  Palser_palmela 04/11/16;                  Joaquim Quaresma 04/11/16                  All distances verified were well recorded</p> <p>Instruction Document 5a has changed and now this requirement is covered under Instruction Document 5B indicator 6.1.2</p>
<b>NCR Status:</b>	<b>CLOSED</b>



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"/>

<b>NCR: 8/16</b>	<b>NC Classification: Minor</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 5a requirement 4.7.1.
<b>Description of Non-conformance and Related Evidence:</b>	
<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>	
<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>Timeline for Conformance:</b>	12 months from report finalization (10/08/2016)
<b>Evidence Provided by Organisation:</b>	Changed the SBP procedures SBP_NF_08_16_DIESEL CAT Exhibit -14 Consumo fuel diesel
<b>Findings for Evaluation of Evidence:</b>	<p>SBP_NF_08_16_DIESEL CAT</p> <p>Each machine has a card on key system and another manual way to fulfil. The machines which work on pellets and other tasks have to fulfil the manual record to include which task it is doing over the time. This is done always at the first week of each month giving an accurate estimation of the month.</p> <p>Both records were positively verified during the audit.</p> <p>Instruction Document 5a has changed and now this requirement is covered under Instruction Document 5B indicator 5.1.3.</p>
<b>NCR Status:</b>	<b>CLOSED</b>
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"/>

<b>NCR: 09/16</b>	<b>NC Classification: Minor</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 5a requirement 4.2.1.
<b>Description of Non-conformance and Related Evidence:</b>	

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.

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.

*Valores de humnidade de feedstock em IT*

<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>Timeline for Conformance:</b>	12 months from report finalization (10/08/2016)
<b>Evidence Provided by Organisation:</b>	Changing were done on moisture register SBP_NF_0609_16_Registo Humidades
<b>Findings for Evaluation of Evidence:</b>	Organization has changed the way moisture is recorded on IT system: <ul style="list-style-type: none"> <li>-Sawdust is measured 1 time / hour;</li> <li>-Presses and pellets 4 time /8hour scale.</li> </ul> <p>Finally, the average is done monthly and after that the average of averages for the year. During the audit the records were verified on paper support and TI</p>
<b>NCR Status:</b>	<b>CLOSED</b>
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"/>

<b>NCR: 10/16</b>	<b>NC Classification: Minor</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 5a requirement 4.5.3.
<b>Description of Non-conformance and Related Evidence:</b>	
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.	
<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>Timeline for Conformance:</b>	12 months from report finalization (10/08/2016)	
<b>Evidence Provided by Organisation:</b>	Organization has installed a specific kWh- Metter for it's pellet offices.	
<b>Findings for Evaluation of Evidence:</b>	<p>In the new ID this requirement is covered under indicator 5.5.2: <i>Ancillary facilities (for example,. offices, cafeterias, workshops, site lighting, laboratories) can be excluded only where this consumption would have occurred in the absence of biomass production.</i></p> <p>During the audit the electricity records for the offices was verified from February to June, and it was found that the consumption is 0,2% of total. This amount was retired from the total consumption.</p>	
<b>NCR Status:</b>	<b>CLOSED</b>	
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"/>

<b>NCR: 11/16</b>	<b>NC Classification: Minor</b>	
<b>Standard &amp; Requirement:</b>	SBP Standard 2 (2C 4.1.)	
<b>Description of Non-conformance and Related Evidence:</b>		
<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.</p> <p>During the SBR revision it has been found some mistakes or details missing:</p> <ul style="list-style-type: none"> <li>• Weblink to the standard used is missing in the English version.</li> <li>• In point 2.5. there was not specified the number of hectares of plantation /natural forest in the Supply Base</li> <li>• Point 3 only says that SBE is not completed but in the report is not said why is it not applicable.</li> </ul>		
<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>Timeline for Conformance:</b>	12 months from report finalization (10/08/2016)	
<b>Evidence Provided by Organisation:</b>	<p>SBR PT Exhibit 4a)</p> <p>SBR EN Exhibit 4b)</p>	

<b>Findings for Evaluation of Evidence:</b>	<p>New report has updated the points about justification for having no SBE developed, and also a link for SBP standards on English version.</p> <p>Detailed number of natural management or plantation on pine forest on section 2.5. is the following: <i>Forest by management type (ha): 714 000 ha (Maritime Pines) Plantation/managed natural</i></p> <p>Forest pines are from 3 different types:</p> <ul style="list-style-type: none"> <li>• Natural regeneration without an active management</li> <li>• Old forest which origin can be regeneration or plantation (minority)</li> <li>• Planted forest with an active management (minority)</li> </ul> <p>The BP argued that there are not credible numbers about that segregation on the country. In fact, according to FSC IC updated definition of plantation and natural forests it is very probably that the most part of Portuguese pine forests (and also European) should be classified as natural.</p>	
<b>NCR Status:</b>	<b>CLOSED</b>	
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"/>

<b>NCR: 12/16</b>	<b>NC Classification: Minor</b>	
<b>Standard &amp; Requirement:</b>	SBP Standard 5a, 6.2.1.	
<b>Description of Non-conformance and Related Evidence:</b>		
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.		
<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>Timeline for Conformance:</b>	12 months from report finalization (10/08/2016)	
<b>Evidence Provided by Organisation:</b>	BP has introduced on its written procedures the requirement of use the updated SBP standards. (Section 7 at Exhibit 1)	
<b>Findings for Evaluation of Evidence:</b>	BP has implemented procedures to use always the updated SBP standards.	

<b>NCR Status:</b>	<b>CLOSED</b>
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

## 12.4 New non-conformities

See section 10-non-conformities and observations

## 12.5 Stakeholder feedback

See section 7.5

## 12.6 Conditions for continuing certification

Biomass Producer is required to correct any identified non-conformities within the specified deadline.

## 12.7 Certification recommendation

It is recommended to maintain the certificate.

## 13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Rui Pedro, Quality System Manager
Auditor(s):	Rui Simões, Lead Auditor
People Interviewed, Titles:	<p>Libânio Nunes – Manager</p> <p>Rui Pedro - Quality System Manager</p> <p>Miguel Martins – Sales</p> <p>Daniel Dias- Reception and Sale/production</p> <p>Carlos Lopes-Health &amp; Safety Responsible</p> <p>Rui Farinha – Operator (production)</p> <p>Ricardo Folgado -Quality Department</p> <p>Pedro Inácio - Production Department</p>
Brief Overview of Audit Process for this Location:	See pont 6.2
Comments:	N/A