

# SBP

Sustainable Biomass Partnership

# NEPCon Evaluation of José Afonso & Filhos, S.A. 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 .....	8
5.4	Chain of Custody system .....	8
<b>6</b>	<b>Evaluation process</b> .....	<b>9</b>
6.1	Timing of evaluation activities .....	9
6.2	Description of evaluation activities .....	10
6.3	Process for consultation with stakeholders .....	11
<b>7</b>	<b>Results</b> .....	<b>12</b>
7.1	Main strengths and weaknesses .....	12
7.2	Rigour of Supply Base Evaluation .....	12
7.3	Compilation of data on Greenhouse Gas emissions .....	12
7.4	Competency of involved personnel .....	12
7.5	Stakeholder feedback .....	13
7.6	Preconditions .....	13
<b>8</b>	<b>Review of Biomass Producer's Risk Assessments</b> .....	<b>14</b>
<b>9</b>	<b>Review of Biomass Producer's mitigation measures</b> .....	<b>15</b>
<b>10</b>	<b>Non-conformities and observations</b> .....	<b>16</b>
<b>11</b>	<b>Certification decision</b> .....	<b>19</b>
<b>12</b>	<b>Surveillance updates</b> .....	<b>20</b>
12.1	Evaluation details .....	20
12.2	Significant changes .....	20
12.3	Follow-up on outstanding non-conformities .....	20

12.4 New non-conformities .....26

12.5 Stakeholder feedback .....26

12.6 Conditions for continuing certification .....26

12.7 Certification recommendation .....26

**13 Evaluation details.....27**

# 1 Overview

CB Name and contact: NEPCon, 28001

Primary contact for SBP: Ondrej Tarabus [ot@nepcon.net](mailto:ot@nepcon.net), +420 606 730 382

Report completion date: 05/Apr/2017

Report authors: Rui Simões, Lead Auditor

Certificate Holder: José Afonso & Filhos, S.A., Zona Industrial Açude Pinto, Apt 7, Oleiros, Portugal

Producer contact for SBP: Francisco Fernandes, 00351 969 289 399 [comercial@jaf-madeiras.com](mailto:comercial@jaf-madeiras.com)

Certified Supply Base: Portugal and north west Spain

SBP Certificate Code: SBP-01-18

Date of certificate issue: 11/May/2016

Date of certificate expiry: 10/May/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, in Oleiros and transportation Figueira da Foz harbor in Portugal.

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

Scope description: Production of wood pellets, for use in energy production, at José Afonso & Filhos S.A. and transportation to Puerto Figueira da Foz . 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 checked="" 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 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>Points of sales</b>	<input type="checkbox"/> Harbour (including own handling of material)	<input type="checkbox"/> Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbor	<input type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		<input 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;
- Energy 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 documents 5A: Collection and Communication of Data,  
5B Energy and GHG Data

5C Static Biomass Profiling data version 1.1, October 2016

<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 it is also located the sawmill, under the same ownership, which is the main feedstock supplier to the pellet producer. The saw mill is sourcing to the biomass producer low quality 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 therefore it 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 (91,3%) and North West Spain (8,7%).

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 Figueira da Foz harbour 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 itself. 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 itself.

#### 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 form 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 sp.* (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% ( 24,000ha) is classified as primary forest. Portugal has 849,000 ha of soil covered of forest plantations (812 000 ha for *Eucalyptus globulus*). 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/certificacion/Supply\\_Base\\_Report\\_PT.pdf](http://www.jaf-madeiras.com/certificacion/Supply_Base_Report_PT.pdf)

### 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 and PEFC Chain of Custody and FSC Controlled wood certificates. Valid FSC and PEFC system description and other documents exist.

The Organisation has implemented a 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 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 30th and 31th January 2017. Totally 2,5 days was spent for this evaluation: 2,0 day onsite + 0,5 day documented evidence review prior to the assessment.

Another 1,5 day was needed for reporting.

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Office,	RS	30/01/2017 10.00-10.30
Open NCR's and OBS evaluation	Office,	RS	30/01/2017 10.30-11.30
Documents and procedures review. Inputs review	Office,	RS	30/01/2017 11:30-12.30
Break		RS	30/01/2017 12:30-13:45
Interview with Purchasing department representative	Purchasing department	RS	30/01/2017 14:00-15:00
GHG calculation review	Office,	RS	30/01/2017 15:00-17:00
Presentation of the results of the first day of assessment	Office,	RS	30/01/2017 17:00-17:30
Opening meeting	Office,	RS	31/01/2017 08:00-08:15
Chain of custody review (site tour); interview with	Production facilities	RS	31/01/2017 8:15 – 10:00

roundwood acceptance department			
Interview with Sales department representative	Sales department	RS	31/01/2017 10:00-10:30
Documents and procedures review; staff interview.	Office,	RS	31/01/2017 10:30 – 16:00
Auditor preparation	Office,	RS	31/01/2017 16:00 – 17:00
Closing meeting	Office,	RS	31/01/2017 17:00 – 18:00
End of the evaluation			31/01/2017 18:00

## 6.2 Description of evaluation activities

The audit visit was focused on management system maintenance, regarding any updates on responsibilities division, document and system, input material classification, or FSC existing system as well as GHG data availability.

Description of the audit evaluation:

All SBP updates on 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 and verified.

Auditor 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 himself, 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 5 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 the meeting, open NCR's were audited and Organization development was verified.

A roundtrip around BP's pellet production was then undertaken. During the site tour, reception process was 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 CEO and SBP responsible person.

Composition of audit team:

Auditor(s), roles	Qualifications
Rui Simões, lead auditor	Forestry engineer with more than 20 year experience in forest project, management and works. Author of several fluvial and desertic restoration projects and field works. FM/CoC and SBP lead auditor FSC, and PEFC and COC auditor for NEPCon. International experience working on English, Spanish and French language, besides mother Portuguese.

### 6.3 Process for consultation with stakeholders

N/A- On this surveillance audit stakeholders were not consulted.

## 7 Results

### 7.1 Main strengths and weaknesses

Strength:

- Integrated use of forest biomass on different wood products (sawn wood, briquettes and pellets) providing best use for each component;
- Majority of biomass volume sourced is supplied inside the Organization supply chain including forest activities starting on standing trees, transportation, sawmill and pellet production;
- FSC credit system implemented;

Weaknesses:

- Very small amount of certified material.
- BP didn't start to sale SBP products

### 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 use new templates for SAR and Static Biomass Profiling Data Sheet.

### 7.4 Competency of involved personnel

The main SBP responsible person in the company is Purchasing Manager Francisco Fernandes who is a Chemistry Engineer and since 2013 Post-Graduated on Industrial & Management Engineer.

Also company CEO, José Luís Afonso, is a senior lumberman and sawnwood industry experienced man, who is also involved with purchasing.

Records are organized and kept from reception-Liliana Lourenço – to Susana Lourenço (accountant responsible), involving software responsible (Sérgio Dias- Informatics Management Engineer).

JAF team is supported by external consultant Forestry Engineer Giovanni Alencastro who is mostly involved in training, internal procedures preparation and helping to set up the management system.

The SBP involved team 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 feedback has been received since initial audit on January 2016.

## 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

<b>NCR: 01/17</b>	<b>NC Classification: Major</b>	
<b>Standard &amp; Requirement:</b>	SBP Standard 5 ID # 5a requirement 2.3.3	
<b>Description of Non-conformance and Related Evidence:</b>		
BP has used "2016" as identifier on its F-07 Dynamic Batch Sustainability Data instead of 00 as defined by the SBP standard.		
<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>	3 months from the report finalization	
<b>Evidence Provided by Organisation:</b>	PENDING	
<b>Findings for Evaluation of Evidence:</b>	PENDING	
<b>NCR Status:</b>	<b>OPEN</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 checked="" type="checkbox"/> No <input type="checkbox"/>

<b>NCR: 02/17</b>	<b>NC Classification: minor</b>	
<b>Standard &amp; Requirement:</b>	SBP Standard 5 ID # 5a requirement 3.2.5	
<b>Description of Non-conformance and Related Evidence:</b>		
<b>NCR: 03/17</b>	<b>NC Classification: minor</b>	
<b>Standard &amp; Requirement:</b>	on its F-07 Dynamic Batch Sustainability Data, not the obligatory SBP Standard 5 ID # 5b requirement 5.6.2 not in a correct form.	
<b>Description of Non-conformance and Related Evidence:</b>		
During audit the volume balance presented by BP could show a difference of 378 tonnes of pellets, which were not justified by records consulted. This change was not included on SAR.		
<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>	By the next annual surveillance audit, but not later than 12 months from report finalisation date	
<b>Evidence Provided by Organisation:</b>	PENDING OPEN	
<b>Findings for Evaluation of Evidence:</b>	act upon the integrity of the affected SBP-credibility of the SBP trademarks? PENDING	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

<b>NCR Status:</b>	<b>OPEN</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: 04/17</b>	<b>NC Classification: minor</b>	
<b>Standard &amp; Requirement:</b>	SBP Standard 5 ID # 5b requirement 6.1.6	
<b>Description of Non-conformance and Related Evidence:</b>		
Share of biofuel was not included on transport fuel recorded by BP in SAR.		
<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>	By the next annual surveillance audit, but not later than 12 months from report finalisation date	
<b>Evidence Provided by Organisation:</b>	PENDING	
<b>Findings for Evaluation of Evidence:</b>	PENDING	
<b>NCR Status:</b>	<b>OPEN</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>OBS: 01/17</b>	<b>Standard &amp; Requirement:</b>	SBP Standard # 2 requirement 15.7
	<b>Report Section</b>	Appendix A p 3.7
<b>Description of findings leading to observation:</b>	<p>BP has a Training Plan which includes every training needed for personnel. Since last SBP audit there were no SBP trainings done, but it was proved by interviews that relevant personnel has good knowledge of process.</p> <p>As in regards to Health &amp; Safety, BP didn't present the correspondent records, from external H&amp;S company.</p>	
<b>Observation:</b>	BP should keep its training records on every subjects applicable.	

<b>OBS: 02/17</b>	<b>Standard &amp; Requirement:</b>	SBP Standard # 5 requirement ID 5B: 3.2.9
	<b>Report Section</b>	Appendix C p 7.8

<b>Description of findings leading to observation:</b>	BP records were originated at the most operationally specific and detailed data that is practically available. Justification was verified during the audit, and it is included at SAR. Average distance of some of the feedstock transportation was estimated based on a simple average, and not by a precise calculation
<b>Observation:</b>	BP should calculate all specified feedstock distances in order to have an average based on all applicable data.

OBS: 03/17	<b>Standard &amp; Requirement:</b>	SBP Standard # 5 requirement ID 5B: 5.5.2
	<b>Report Section</b>	Appendix C p 14.2
<b>Description of findings leading to observation:</b>	It was not possible for BP to calculate the precise value before this audit, because it depends on measurement of the external energy company. However the chipper and debarking machines are not included at the machines listed on Electric use on SAR	
<b>Observation:</b>	BP should list on SAR all the machinery included on Energy calculations.	

## 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 maintained.	
<b>Certification decision by: Ondrej Tarabus</b>	
Date of decision: <b>05.04.2017</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

Audit took place on the 30 and 31 of January. Details can be found in point 6.2 above.

### 12.2 Significant changes

No significant changes which would be affecting the management of SBP or FSC chain-of-custody certification

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

<b>NCR number:</b> 08122	<b>NC grading:</b>	Major <input type="checkbox"/>	Minor <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>	<p>Certificate links provided by BP for:                  García Forestal (<a href="#">FSC</a> e <a href="#">PEFC</a>) and                  Companhia Agrícola Penha Garcia da AFlobei <a href="#">FSC</a>  <a href="#">PEFC</a></p>		
<b>Evaluation of Evidence:</b>	<p>Only possible SBP compliant secondary feedstock for BP is the feedstock bought directly by own sawmill to FM FSC and PEFC certificates. Place of harvesting is included on certificates itself.</p>		



	This certified feedstock hasn't been used yet to pellet production.
<b>NCR Status:</b>	<b>Closed</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>	SBR 2016 (Exhibit 4)		
<b>Evaluation of Evidence:</b>	Organization uses roundwood from final cuts on its own sawmill, which was confirmed during the audit. Only branch wood and tree tops are going to pellet unit.		
<b>NCR Status:</b>	<b>Closed</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>	Organization has used correctly the calculations for both sawmill residues and for branch wood. SAR document was provided.
<b>Evaluation of Evidence:</b>	Data were verified on Organization System.
<b>NCR Status:</b>	<b>CLOSED</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>	SAR was provided by the organization with values per each class of feedstock.		
<b>Evaluation of Evidence:</b>	Organization has used correctly the calculations for both saw dust and for tree tops. Figures were consulted and confirmed with decimal strength.		
<b>NCR Status:</b>	<b>Closed.</b>		
<b>Comments (optional):</b>	New approach is made on new version ID's 5		

<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>	SAR documents and interview with responsible person.
<b>Evaluation of Evidence:</b>	Moisture measuring is made according to section 9.3 of Manual CdR (Exhibit 1a), which includes industrial pellets also. It was confirmed with João Paulo Carmo during the audit. Industrial pellet production was scarce (< 15000 ton industrial pellets).
<b>NCR Status:</b>	<b>CLOSED</b>
<b>Comments (optional):</b>	Inst 5B - 5.4.2 Either option 1 or option 2 must be used for the drying process, where applicable.

<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>	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>	SAR document and interview with responsible person.		
<b>Evaluation of Evidence:</b>	It was not possible for BP to calculate the precise value for debarking and chipping machines, as this is done by external provider. BP has justified its estimate calculations to the auditor and the justification is considered as sufficient and the results are credible.		

<b>NCR Status:</b>	<b>Closed</b>		
<b>Comments (optional):</b>	Data are included on SAR (exhibit 3)		
<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>			
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.			
<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>	Specified truck consumption was included on consumptions calculations by BP to record on SAR.		
<b>Evaluation of Evidence:</b>	Consumption records were reviewed, including diesel invoices. For example invoice nº OLR NR1/438/RES da ESA – Estação de Serviço Alvelos, Lda, from driver Cesar Fernandes de 11/06/2016. It was confirmed that all machinery was included in the account.		
<b>NCR Status:</b>	<b>CLOSED</b>		
<b>Comments (optional):</b>	See 5.4 on new 5B		

<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 roundwood 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>	Profiling information data is now included in other formats. -SBR (Exhibit4)		

	-Profiling information (Exhibit 5)
<b>Evaluation of Evidence:</b>	Reviewed evidences are including the fact that the use of mature pines is not for pellet production, only for sawmill, if they exist.
<b>NCR Status:</b>	<b>CLOSED</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>	Feedstock Product Groups are now defined by BP against new instruction document. SAR (Exhibit 3)		
<b>Evaluation of Evidence:</b>	SAR could confirm correct definition of feedstock product groups by BP.		
<b>NCR Status:</b>	<b>CLOSED</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>	Feedstock Product Groups were defined according to new requirements on Instruction Documents.
<b>Evaluation of Evidence:</b>	SAR could confirm correct use of feedstock product groups volumes by BP (Exhibit 3).
<b>NCR Status:</b>	<b>CLOSED</b>
<b>Comments (optional):</b>	

## 12.4 New non-conformities

See the section 10 - non-conformities.

## 12.5 Stakeholder feedback

No stakeholder feedback was received since January 2016.

## 12.6 Conditions for continuing certification

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

## 12.7 Certification recommendation

It is recommended to maintain the certificate.

## 13 Evaluation details

<p><b>Primary Responsible Person:</b> (Responsible for control system at site(s))</p>	Francisco Fernandes
<p><b>Auditor(s):</b></p>	Rui Simões
<p><b>People Interviewed, Titles:</b></p>	<p>Francisco Fernandes, Engineer, Purchasing and SBP                  José Luís Afonso, Administrator and purchasing                  Paula Afonso, Administrator                  Liliana Lourenço, Reception                  Sérgio Dias, Lic. Human Resources Responsible                  Sérgio Batista, pine sourcing and cuttings                  Susana Lourenço, Accountant Responsible                  João Paulo Carmo, Supervisão pellets                  Giovanni Alencastro, Forest Engineer, External Consultant</p>
<p><b>Brief Overview of Audit Process for this Location:</b></p>	See section 6.2
<p><b>Comments:</b></p>	Changes on SBP Instruction Documents affected the approach of surveillance audit and open NCR's.