

# SBP

Sustainable Biomass Partnership

## Supply Base Report: Pellets Power Lda

[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)



## Completed in accordance with the Supply Base 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*

*Version 1.0: published 26 March 2015*

*Version 1.1 published 22 February 2016*

*Version 1.2 published 23 June 2016*

© Copyright The Sustainable Biomass Partnership Limited 2016

# Contents

<b>1</b>	<b>Overview</b> .....	<b>1</b>
<b>2</b>	<b>Description of the Supply Base</b> .....	<b>2</b>
2.1	General description .....	2
2.2	Actions taken to promote certification amongst feedstock supplier .....	6
2.3	Final harvest sampling programme .....	6
2.4	Flow diagram of feedstock inputs showing feedstock type [optional].....	6
2.5	Quantification of the Supply Base .....	6
<b>3</b>	<b>Requirement for a Supply Base Evaluation</b> .....	<b>8</b>
<b>4</b>	<b>Supply Base Evaluation</b> .....	<b>9</b>
4.1	Scope .....	9
4.2	Justification .....	9
4.3	Results of Risk Assessment.....	9
4.4	Results of Supplier Verification Programme .....	9
4.5	Conclusion .....	9
<b>5</b>	<b>Supply Base Evaluation Process</b> .....	<b>10</b>
5.1	Response to stakeholder comments .....	10
<b>6</b>	<b>Stakeholder Consultation</b> .....	<b>11</b>
6.1	Response to stakeholder comments .....	11
<b>7</b>	<b>Overview of Initial Assessment of Risk</b> .....	<b>12</b>
<b>8</b>	<b>Supplier Verification Programme</b> .....	<b>13</b>
8.1	Description of the Supplier Verification Programme .....	13
8.2	Site visits .....	13
8.3	Conclusions from the Supplier Verification Programme.....	13
<b>9</b>	<b>Mitigation Measures</b> .....	<b>14</b>
9.1	Mitigation measures .....	14
9.2	Monitoring and outcomes .....	14
<b>10</b>	<b>Detailed Findings for Indicators</b> .....	<b>15</b>
<b>11</b>	<b>Review of Report</b> .....	<b>16</b>
11.1	Peer review .....	16
11.2	Public or additional reviews.....	16

<b>12</b>	<b>Approval of Report</b> .....	<b>17</b>
<b>13</b>	<b>Updates</b> .....	<b>18</b>
13.1	Significant changes in the Supply Base .....	18
13.2	Effectiveness of previous mitigation measures .....	18
13.3	New risk ratings and mitigation measures .....	18
13.4	Actual values for feedstock over the previous 12 months .....	18
13.5	Projected values for feedstock over the next 12 months .....	18

# 1 Overview

Producer name: Pellets Power, Lda

Producer location: Freixo, 3450-116 Mortágua Portugal

Geographic position: N 40° 22 33 / W 8° 11 073

Primary contact: Maria João Preto, **Gesfinu** - Avenida Villagarcia de Arosa, 1919, 4460-439 Matosinhos , +351 969647006, maria.preto@gesfinu.com

Company website: [www.gesfinu.com](http://www.gesfinu.com)

Date report finalised: 03/Nov/2015

Close of last CB audit: -

Name of CB: NEPCon

Translations from English: Not applicable

SBP Standard(s) used: Standard 2 version 1.0, Standard 4 version 1.0,, Standard 5 version 1.0

Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBR on Company website: [www.gesfinu.com](http://www.gesfinu.com)

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Description of the Supply Base

### 2.1 General description

Portugal forest area covers 3 154 800 hectares. According with ICNF (Instituto da Conservação da Natureza e Florestas ), forest land use is the dominant use of the mainland (35.4% in 2010). The Portuguese owned forest was 84.2% and public forest (Public forest – private domain of the *National Authority forests* – 15,8%. (source: 6.º *Inventory Forest National. Areas of land use and forest species of Portugal continental* (Preliminary results v1.1 | fevereiro 2013)).

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

Distribution of soils areas in Portugal (ICNF, 2013):

- Forests - 35%
- Pastures - 32%
- Inland water – 2%
- Urban – 5%
- Agriculture – 24%
- Infertile land -2%

It appears that in 2010 the land use Forest is the dominant use in mainland Portugal, occupying 35.4% of the mainland. The woods and pastures are the following class of land use with larger area, the bushes corresponding to 32% of this class. Agricultural areas account for 24% of the mainland.

Distribution of total areas for species / species group Portuguese forest:

- *Pinus pinaster* - 23%
- *Eucalyptus spp.* - 26%
- *Pinus pinea* - 6%
- *Quercus suber* - 23%
- *Quercus ilex* - 11%
- *Quercus spp.* - 2%
- *Castanea sativa* - 1%
- Other hardwoods - 6%
- Other softwoods - 2%

The area occupied by coniferous species corresponds to 31% of the Portuguese forest, the remainder (69%) is occupied by broadleaf species. The forest area from which the dominant species is the eucalyptus is the largest area of the country (812 000 ha, 26%), cork the second (737,000 ha; 23%), followed by maritime pine (*Pinus pinaster*) (714,000 there is; 23%) and 6% *Pinus pinea*.

From 6.º INVENTORY FOREST NATIONAL. Areas of land use and forest species of Portugal continental (Preliminary results v1.1 | fevereiro'2013)

**The Portuguese forest management areas are protected from illegal harvesting, settlement and other unauthorized activities.**

The main threats mentioned by WWF are continuing conversion of these forest areas to agriculture, grazing or urban use. Other threats are frequent fires, harvesting of the remaining areas of natural forests, the excessive use of exotic species and overgrazing. According to this indicator, Portugal can be considered a low risk country. [www.panda.org/about\\_our\\_earth/ecoregions/mediterranean\\_forests\\_scrub.cfm](http://www.panda.org/about_our_earth/ecoregions/mediterranean_forests_scrub.cfm)  
[www.icnb.pt](http://www.icnb.pt)

In Portugal existing legislation prohibits conversion of natural forest to plantations (1901 and 1903 regime florestal decrees, decree-laws n. ° 166/2008, of 22-08 on the National Ecological Reserve, 254/2009, of 24-09 (revoke by Decree-Laws n.º 12/2012) on the Forest code and 169/2001, of 25-05 on cork and holm oak).

Furthermore, land use changes after forest fires are conditioned by law (decree-laws n. °254/2009, of 24-09, on the Forest code and 169/2001, of 25-05); changes must be submitted to the National Forest Authority (AFN).

Natural forests are classified as habitats, and are thus safeguarded by another legal framework which is even more limiting. The results of the last National Forest Inventory (2013) show an increase of forest area.

Legislation does not allow conversion of natural forest. After forest fires any changes have to be submitted to the national forestry authority. There is also legislation to protect wetlands, peat land, protected areas and highly biodiverse grasslands.

The raw material received is from private land suppliers or National Authority forests. Portuguese Ministry (AFN – Portuguese National Authority for forest).

Law No. 33/96 of 17 August: defines the bases of national Forest Policy this act defines the following goals:

1. Define the foundations of national Forest Policy;

2. The National Forest Policy, fundamental to the development and strengthening of institutions and programs for the management, conservation and sustainable development of forests and associated natural systems, aimed at meeting the needs of the community, a framework of spatial planning. (decree-laws n. ° 254/2009, of 24-09, - Forest National Code, revoke by Decree-Laws n.º 12/2012 )

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 there are oak forests of *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 robur* 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 (*Cistus ladanifer*) and strawberry tree (*Arbutus unedo*) in all territory (source: *Godinho-Ferreira et al., 2005*).

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

The first goal of forest management is to improve the production (timber and cones/pine nuts). This strategic forest planning methodology allows the integration of two different silvicultures (timber production or forest products) and the choice of the best in each stand.

The timber and the resin constitute the most financially profitable forest products, that target the various activities such as sawmills, production of paper pulp, cellulose or energy, among many others. ( source – Plano Director Municipal de Penacova, *Caracterização Florestal, Abril 2015*).

Pellets Power, Lda valorize all silvicultural residues (low quality round wood, leaves, branches etc.), which final destination would be burning or incorporation in the soil. The raw material coming from forest clean operations and pine plantation maintenance and the main goal is to give an economic value of the cleaning wood residues forest.

The raw material origin is all from Portugal. Pellets Power, Lda, receives the majority of fibre from *Pinus pinaster* forest. The forest management practices consist in cleaning the trees and soil and promoting the wood pine growing. Pellets Power, Lda valorize waste forest like wood resulting from logging, waste from burned areas, waste from the cleaning of forests and woods, among others.

All raw material received by Pellets Power, Lda is evaluated as FSC-Controlled Wood (included in our internal suppliers audits), and some percentage is FSC 100%.

#### **Portuguese forest sector (state-of-art) - Pellets Power, Lda:**

The majority of Pellets Power, Lda wood suppliers works with the Organizations of Forest Producers (OF). Organizations of Forest Producers are a central element in the representation of interests and forest owners and managers, playing a working and support forest owners and producers to achieve the good practices of forest management.

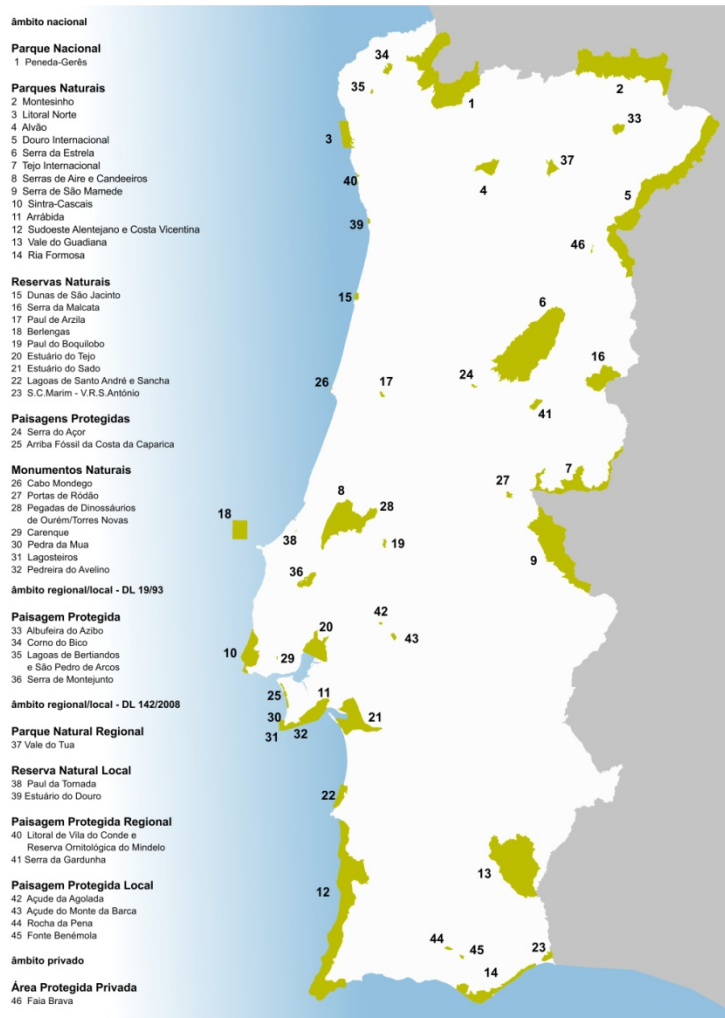
The raw material received is from private land suppliers or National Authority forests, and we can found the following situations:

- National Authority forests – Cleanings forest /lands (to avoid fires, diseases, etc.);
- Private small land suppliers (to avoid fires, and valorize economical quantities of their raw material etc...(local suppliers);
- Land suppliers < 500 ha forest area (local suppliers);
- Certificated areas, like eucalyptus, are valorized for other kind of industries, for example Paper mill;
- 100% certified material, which is very residual because raw material price from certified areas is very high. The option is to guarantee FSC controlled wood in the case of small land suppliers (that is the majority of Pellets Power, Lda suppliers).

Pellets Power, Lda - raw material:

- None of the species received is CITES-listed.
- Raw material close to Pellets Power, Lda is around 80% of *Pinus pinaster* and the rest is 20% (*Eucalyptus*, *Acacia*, etc...)
- Pellets Power, Lda works with many suppliers and they have their own forest so they have to make sure its clean (legal obligation).





Protected Portuguese National areas (<http://www.icnf.pt/portal/ap>)

## 2.2 Actions taken to promote certification amongst feedstock supplier

Pellets Power, Lda is promoting sustainable forest management (FSC CW / FSC 100%). Pellets Power, Lda (inside of multisite certification Gesfinu SGPS Group) has the FSC Chain of Custody and FSC Controlled Wood certification since 2012 and annually performs an audit suppliers program (Audit verification of timber supply ) that checks and reviews evidences of raw material origin documentation delivery to plant. Audit processes include field visits (inspections) in which a selection of suppliers is annually audited. Main goal is to verify the origin of the material supplied, evidences related to the quantity, quality, veracity of transport documents, among other items, in order to meet the requirements of FSC Controlled Wood.

The procedures are defined internally with support of instructions and procedures.

Although Portugal is classified by FSC as a low risk country, Pellets Power, Lda choose to maintain inspections in field and work with wood suppliers to check evidences to prove all FSC controlled wood as well as environmental, quality and safety health requirements. The FSC CW audits suppliers program involved the companies (forests management) to improve the best sustainability practices in the forest.

Pellets Power, Lda tries to buy certified 100% FSC raw material and in this case the raw material price increases. All wood raw material received by Pellets Power, Lda is evaluated as FSC-Controlled wood (include in our internal suppliers' audits), and some percentage could be considered FSC 100%.

Forests in Portugal have always played an important role in economy and society. The majority of Pellets Power, Lda wood suppliers, works with the Organizations of Forest Producers (OF).

Several of the above-mentioned species (*Pinus pinaster*, *Eucalyptus globulus*, etc.), have commercial interest for sawmills, cork, pulp or other items, that needs to be counterbalanced with the recreational and cultural values.

Organizations of Forest Producers are a central element in the representation of interests and forest owners and managers, even playing a working and support forest owners and producers to achieve the good practices of forest management. Pellets Power, Lda receives material coming from forest cleaning operations and pine plantation maintenance (including round wood, pine cones, branches, needles, leaves, thinning and bark). On the other hand, there is a governmental financial support to promote forests projects which incentive the management of forests, so suppliers need to prove that, if they want to approve their projects. <http://www.icnf.pt/portal/florestas/gf/opf/resource/doc/dcnf-c-list>.

## 2.3 Final harvest sampling programme

Not applicable

## 2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

Not applicable

## 2.5 Quantification of the Supply Base

### Supply Base - Portugal

- a. Total Supply Base area: 3 154 800 ha: Cumulative area of all forest types within SB
- b. Tenure by type (ha): Privately owned– 94,2 % - 2 971 822 ha;

Public forest (private domain of the national Authority forests) –  
5,8% - 182 978 ha

- c. Forest by type (ha): Mediterranean Forests 3154800 ha
- d. Forest by management type (ha): Naturally regenerated forest: 2 306 000 ha; Planted forest: 849 000 ha  
(source - FRA 2015 – Country Report, Portugal)
- e. Certified forest by scheme (ha):  
  
FSC - certified forest - 359.687 ha and PEFC-certified forest 253 725 ha

## Feedstock

- f. Total volume of Feedstock: 165210,810 tonnes

Forest residues – Branches wood – 4942,34 ton; Forest residues – 144 154, 45 ton; Wood industry residues: Sawdust – 11432,08; Slab wood – 4678, 94 ton.

- g. Volume of primary feedstock: 149099,79 tonnes  
Forest residues – Branches wood – 4942,34 ton; Forest residues – 144 154, 45 ton

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

100% Small forest holdings not certified to an SBP-approved Forest Management Schemes

### **FSC Controlled Wood:**

- **100%** SBP-approved Controlled Feedstock System certification

- i. List all species in primary feedstock, including scientific name:

*Pinus pinaster*; *Eucalyptus spp*; *Acacia dealbata Link*; *Acacia melanoxylon*;

- j. Volume of primary feedstock from primary forest: 0 tonnes

- k. List percentage of primary feedstock from primary forest (i), by the following categories. Subdivide by SBP-approved Forest Management Schemes: Not applicable

- l. Volume of secondary feedstock: Specify origin and type (Portugal / *Pinus pinaster* )

Wood industry residues: Sawdust – 11432,08; Slab wood – 4678,94 ton.

- m. Volume of tertiary feedstock: 0 tonnes

Origin: Portugal

### 3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	<input checked="" type="checkbox"/>

## 4 Supply Base Evaluation

### 4.1 Scope

Not applicable

### 4.2 Justification

Not applicable

### 4.3 Results of Risk Assessment

Not applicable

### 4.4 Results of Supplier Verification Programme

Not applicable

### 4.5 Conclusion

Not applicable

# 5 Supply Base Evaluation Process

Not applicable

## 5.1 Response to stakeholder comments

Not applicable

# 6 Stakeholder Consultation

Not applicable

## 6.1 Response to stakeholder comments

Not applicable

# 7 Overview of Initial Assessment of Risk

Not applicable



# 8 Supplier Verification Programme

## 8.1 Description of the Supplier Verification Programme

Not applicable

## 8.2 Site visits

Not applicable

## 8.3 Conclusions from the Supplier Verification Programme

Not applicable

# 9 Mitigation Measures

## 9.1 Mitigation measures

Not applicable

## 9.2 Monitoring and outcomes

Not applicable

# 10 Detailed Findings for Indicators

Not applicable

# 11 Review of Report



## 11.1 Peer review

Internal review.

## 11.2 Public or additional reviews

Not applicable

## 12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Maria João Preto</i> 	<i>Environmental Engineer</i>	<i>03.11.2015.</i>
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	<i>Filipa Rebelo</i> 	<i>Diretor</i>	<i>03.11.2015.</i>
	Name	Title	Date

# 13 Updates

No updates are made.

## 13.1 Significant changes in the Supply Base

No significant changes in to the supply base.

## 13.2 Effectiveness of previous mitigation measures

Not applicable

## 13.3 New risk ratings and mitigation measures

Not applicable

## 13.4 Actual values for feedstock over the previous 12 months

Not applicable

## 13.5 Projected values for feedstock over the next 12 months

Not applicable