

Supply Base Report: José Afonso & Filhos, S.A.

Second Surveillance Audit

www.sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 1.2

For further information on the SBP Framework and to view the full set of documentation see www.sbp-cert.org

Document history

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Contents

1	Overview	1
2	Description of the Supply Base	2
2.1	General description	2
2.2	Actions taken to promote certification amongst feedstock supplier	8
2.3	Final harvest sampling programme	9
2.4	Flow diagram of feedstock inputs showing feedstock type [optional]	9
2.5	Quantification of the Supply Base	9
3	Requirement for a Supply Base Evaluation	11
4	Supply Base Evaluation	12
4.1	Scope	12
4.2	Justification	12
4.3	Results of Risk Assessment	12
4.4	Results of Supplier Verification Programme	12
4.5	Conclusion	12
5	Supply Base Evaluation Process	13
6	Stakeholder Consultation	14
6.1	Response to stakeholder comments	14
7	Overview of Initial Assessment of Risk	15
8	Supplier Verification Programme	16
8.1	Description of the Supplier Verification Programme	16
8.2	Site visits	16
8.3	Conclusions from the Supplier Verification Programme	16
9	Mitigation Measures	17
9.1	Mitigation measures	17
9.2	Monitoring and outcomes	17
10	Detailed Findings for Indicators	18
11	Review of Report	19
11.1	Peer review	19
11.2	Public or additional reviews	19
12	Approval of Report	20

13	Updates	21
13.1	Significant changes in the Supply Base	21
13.2	Effectiveness of previous mitigation measures	21
13.3	New risk ratings and mitigation measures	21
13.4	Actual figures for feedstock over the previous 12 months	21
13.5	Projected figures for feedstock over the next 12 months	22

1 Overview

Producer name: José Afonso & Filhos, SA. (JAF)
Producer location: Zona Industrial de Açude Pinto. 6160-301 - Oleiros - PORTUGAL
Geographic position: 37° 06' 25.06" N, -7° 66' 21.27" W
Primary contact: Francisco Fernandes
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Companywebsite: <http://www.jaf-madeiras.com>
Date report finalized: 01/Feb/2016
Close of last CB audit: 15/Jan/2016, Oleiros.
Name of CB: NEPCon Spain I C
Translations from English: Yes
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 SBE on Company website: 'not applicable'
Weblink to SBR on Company website: <http://www.jaf-madeiras.com/en/certificacao/default.html>

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 type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

José Afonso & Filhos, SA. (JAF) was established in 1990, in the town of Oleiros, district of Castelo Branco, at which time they were a small sawmill.

In recent years, the sawmill has been modernized several times. Actually, the sawmill has 8 production lines which produce around 60,000 m³ / year.

Beside the sawmill, in 2008 a pellet factory was built and put into operation with a capacity of producing about 70,000 t /year. In 2010, a briquette factory was built and put into operation with a capacity of producing 7,000 t /year. In 2011 the company's fleet of vehicles was updated when 26 new MAN vehicles were purchased. The company also engages in logging activities.

With this structure, **JAF** can optimize their operations and the use of raw wood material.

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 (forest residues, bark, waste and leftover material), roundwood, waste and leftover material from Eucalyptus (*Eucalyptus* spp.) can also be used.

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

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 logs (for sawing or chipping) and biomass (forest residues, bark and logging debris) acquired "at the mill" come exclusively from forests in Portugal, especially from the Castelo Branco district and the surrounding area. Within this area there are approximately 50 small to medium enterprises who buy the timber standing, logs and transports the timber.

Chipped wood (chips and sawdust) that is acquired "at the mill", comes from suppliers who deliver the material (chips) or the by-product from the sawing process (sawdust) from approximately 14 pine sawmills. These sawmills also purchase their logs, mainly within in their vicinity but may include wood from any region of the country as well as from Spain, especially the areas along the border, from Galicia to Extremadura.

Therefore, the supply area includes the entire mainland of Portugal and potentially all of mainland of Spain.

In Portugal, the pulp, particle board and saw mill industry consumes around 3 million tons/year of pine. The pellet industry consumes about 1.4 million tons of biomass annually with 24 producers in the country.

JAF produces about 70,000 t /year of pellets; resulting in a consumption of raw forest material of 100,000 t/year. These are averages considering two similar companies located within a radius of about 50 km, of which one is producing less than 50,000 t/year and the other more than 100,000 t/year.

In regards to the sawmills, there are many in the region, but smaller and consumes less wood.

There is also the pulp industry in Portugal that consumes about 6 million tons/year of eucalyptus.

The forestry sector in the Iberian Peninsula represents a strategic wealth, environmentally, economically and socially. If we consider the Iberian Peninsula as one unit within the EU, it has a total of 28,715,000 ha of forested land, which is 48% of the landmass of the two countries placing the Iberian Peninsula in 4th place after important countries such as Sweden, Finland and France.

Forested land on the Iberian Peninsula totals 8.852 million ha (15% of the territory), which is less than in countries that are more forested, but is well above the rest of the EU, harvesting approximately 25.5 million m³ annually.

Portugal has about 9.8 million inhabitants and has an area of 8.7 million hectares. According to preliminary data from the last National Forest Inventory (IFN), forests in Portugal occupy 3.2 million hectares which corresponds to 35.4% of the country, one of the largest proportions of forested areas in Europe.

The trend of decreasing use of forest land, according to data from IFN of 1995, 2005 and 2010, is due in particular to the reduction of areas that are temporarily without trees (burnt, harvested and areas being reforested). Although between 1995 and 2005 the areas burnt and harvested increased, which was most likely due to the large areas of forest fires which occurred in 2003 and 2005, between 2005 and 2010 forest areas without trees showed a downward trend, justifying the overall reduction in forest area. However, it is also worth noting an increase in forested areas between 1995 and 2010.

Land-Uses in Portugal – 2010

Source: ICNF National Forest Inventory, Preliminary Results, 2013

- 35% Forestry
- 32% Bushland and Natural Pastures
- 24% Agriculture
- 5% Urban
- 2% Inland Waters
- 2% Unproductive

Forest Stands in Mainland Portugal – 2010

Source: ICNF National Forest Inventory, Preliminary Results, 2013

- 26% Bluegum / *Eucalyptus spp.*
- 23% Corkoak / *Quercus suber*
- 23% Maritime Pine / *Pinus pinaster*
- 11% Holmoak / *Quercus rotundifolia*
- 6% Stone Pine / *Pinus pinea*
- 2% Oak / *Quercus spp.*
- 1% Sweet Chestnut Tree / *Castanea sativa*
- 6% Other Hardwoods
- 2% Other softwoods

The dominant forest species is Eucalyptus, representing the largest area of the country (812,000 ha; 26%), second is Cork Oak (737,000 ha; 23%), followed by the Maritime Pine (714,000 ha; 23%). The area occupied by softwood species corresponds to 31% of the Portuguese forest, the remainder (69%) is occupied by broadleaf species.

Forest ownership is mostly private, with 2.8 million hectares, or 84.2% of the total area owned by small private properties and 6.5% which is owned by industrial companies. Public areas account for 15.8% of the total, of which only 2% (the lowest percentage in Europe) is the private domain of the State.

The size of the forest properties has a very distinct geographical distribution. A large number of the properties are located in the north and center, where logging occur on properties of less than 1 hectare. It is estimated that there are more 400 000 forest owners in the country.

Despite the high number of owners and the small size of the forest properties, the goods produced from these areas account for 5% of the GVA (Gross Value Added) of the economy, accounting for about 4% of the gross domestic product (GDP) and 14% of the industrial GDP.

The Portuguese business structure in the forestry sector includes some of the most representative European companies in this sector. In regards to the international market sales for forest products and forest-based products, the most important are: paper and cardboard, pulp, cork, wood and resin products and furnitures.

According to information in the “Characterization of the Forest Industry Report of 2014”, sponsored by the Association for the Competitiveness of the Forestry Industry (AIFF), for the reference period of 2011-2013, the trade balance associated with the forestry industries sector presents a positive balance of 2,474 million euros (2013), corresponding to 9.1% of total national exports of goods and 3.4% of total national imports of goods. The forest industry employs 2.2% of all persons employed by companies in Portugal and 1.7% of the total employed population

In 2012, the Gross Value Added (GVA) in forestry increased by 3.9% in volume and 2.4% in value in relation to 2011. In relation to forestry production there was also a recorded increase of 4 3% in volume and 3.6% in value in relation to 2011. During this same year, the GVA of the forestry sector industries accounted for 1.2% of the national GVA, having maintained a significant presence in total manufacturing (about 11%).

However, according to the CentroPinus (Association for the development of the Pine Forest), according to data recently published by the INE (National Statistics Institute), the turnover in industrial enterprises 2014

pine row was 3,600 million euros, which represented an increase of 9% compared to 2013. Pine came to represent 46% of turnover of the forest sector in Portugal, considering this value as an evidence of great dynamism and economic importance of pine in Portugal.

According to Pedro Sebastião Perestrelo de Souza e Holstein Campilho in his thesis Assessment of National Potential for Forest Biomass Utilization for Energy Purposes published in 2010, the trend of loss of socioeconomic sustainability of the Portuguese forestry sector in recent years, when supplemented with a conjecture to encourage the production of renewable energy, translates into a set of developments which enhance the demand for biomass from logging residues for energy use. The demand for biomass tends to be met in the short term, in scenarios substantially sustainable. However, in the medium and long term projection, even without considering significant increases in demand for this resource, results in difficulties to meet existing market demands with conditions for sustainability as those experienced in the short term.

According to the "Diagnosis del Sector Forestal Español" Análisis y Prospective - Serie Agrinfo/Medioambiente No. 8, Spain has 18.4 million hectares of forest area, representing 36.3% of the national land base, being the third largest in Europe. Currently 68.6% of national forest area is private (19 million ha) and 31.4% is public, mainly from local authorities (Ayuntamientos).

An enormous diversity exists, both in the number of species as in the variety of forest stands. According to the National Forest Inventory, more than 80% of forest areas are composed of two or more species.

According to the publication "Criterios e Indicadores de gestión forestal sostenible en los bosques españoles" from the Spanish MINISTRY OF AGRICULTURE, FOOD AND THE ENVIRONMENT, the volume of wood (with bark), according to the 3rd National Forest Inventory, reaches the figure of 927 760 000 m³. The average annual production of timber and firewood, according to available data (2005-2009) was 17.19 million m³ with bark - 14,450,000 m³ without bark.

45% of the average production corresponds to the harvest of softwood, 35% hardwood and 20% are mixtures of various species. The main producing wood species are Eucalyptus, Maritime Pine, Radiata Pine, Scots Pine and Poplar, all with an annual production over 500,000 m³.

Between 1970 and 2010 the forest area in Spain increased by about 6.48 million hectares. Between 1990 and 2010 the growth was 31%: 4.4 million ha, with an average rate of 210,000 ha / year. It is the European country with the highest growth.

Forestry, harvesting and the timber and paper industry produced in 2009, a GVA of 6,635 million euros, representing a direct contribution of 0.63% to the national GDP.

In forestry and harvesting in 2013, there was an average of 31,000 workers, while in the forestry industry (wood, cork and paper) had a total of 104,600 employees.

Pine forests are usually managed in stands of trees, generally of seed or seedling origin, that normally develop a high closed canopy, and can be managed using natural regeneration or by sowing or planting.

In cases of natural regeneration and planting, the initial phase is intended to gradually reduce the density of plants to 1200-1600 trees / ha. Initially in groups and then selectively with mechanical or manual harrowing or slashing. After 10 years the trees can be pruned (1-2) and thinned (2-3) utilizing the residual material, leaving a final cut (30-40 years) of about 500-600 trees / ha, while proceeding to also control unwanted vegetation

mechanically or manually harrowing or slashing. In the case of natural regeneration, during the final cut about 25 large trees / ha are left as seed trees.

In the case of a plantation, the ground is prepared with disking, ripping and harrowing along the contours in areas with slopes up to 30%, on steeper slopes the site preparation and planting is manual. The planting density depends on the season, usually 1200 to 1600 seedlings / ha. After 10 years the trees can be pruned (1-2) and thinned (2-3) utilizing the residual material, leaving a final cut (30-40 years) of about 500-600 trees / ha, while proceeding to also control unwanted vegetation mechanically or manually harrowing or slashing. In the case of natural regeneration, during the final cut about 25 large trees / ha are left as seed trees.

Eucalyptus silviculture is based on planting and the clear-cutting the forest, usually between 10 and 15 years, utilizing all of the wood with or without the bark (simple coppice). Priority is given to conducting coppice for 1, 2 up to 3 rotations, selecting shoots after each cut. If last cut is not deemed productive then the area is re-planted.

In mixed stands with Maritime Pine, the system is based on thinning the forest in order to leave a percentage of remaining trees for future use when the stumps of the harvested Eucalyptus trees produce shoots (composed coppice)

Beginning with the site preparation, which normally consists of destroying and incorporating existing woody material, followed by tillage (disking, ripping, and harrowing). Fertilization depends on the season and the owners conditions. The planting is carried out to a density typically between 1100 and 1300 seedlings per hectare. Between the second and sixth year a second fertilization and competing vegetation control is recommended.

The selection of shoots is made during the second and third year, maintaining a number of stems per hectare corresponding to the initial density of planting.

In most cases, the cut is made between 10 and 15 years. The basic logging operating system consists of utilizing a tractor processor and a tractor loader, and usually manual felling with a chainsaw.

In Portugal, according to the ICNF, in March 2013, about 44% of the Forest area (IFN5) was covered by a PGF - Forest Management Plan (about 1.522 million ha), totaling 2,266 approved PGFs, with an increase of 33% and 45%, respectively as of December 2011. The elaboration of a PGF is a legal requirement for some private properties (depending on the size and requirement of the applicable Regional Plan of Territorial Planning (PROF) for the property, as well as the Forest Intervention Areas (ZIF).

In Portugal it is not necessary to have specific authorization for harvesting except for cork oak, holm oak and logging in protected or classified areas. When logging Pine it is necessary to produce a harvest manifest, pruning and transport of coniferous wood (Decree-Law 123/2015 of 3 July), which concerns the application of the extraordinary measures of plant protection essential to the control of the pine wood nematode (PWN).

In Spain, for private properties, if there is a PORF (Forest Management Plan) or management tools, the owner must notify the forestry agency of the Autonomous Community (CCAA) with their logging plan. Otherwise, the owner shall communicate their logging plan to the forestry agency of the Autonomous Community (CCAA) adhering to the Autonomous Community regulations.

Public areas are regulated by the forestry agency of the CAAC.

CITES – (Convention on International Trade in Endangered Species of Wild Fauna and Flora) lists the following species in Portugal and Spain, not including timber species:

Portugal:

<i>Antipathes erinaceus</i>	<i>Stichopathes dissimilis</i>	<i>Stichopathes richardi</i>
<i>Stichopathes robusta</i>	<i>Stichopathes setacea</i>	<i>Leiopathes expansa</i>
<i>Tanacetipathes cavernicola</i>	<i>Tanacetipathes squamosa</i>	<i>Tanacetipathes wirtzi</i>
<i>Paracythus arcuatus</i>	<i>Leptopsammia formosa</i>	<i>Madracis profunda</i>
<i>Crypthelia medioatlantica</i>	<i>Crypthelia vascomarquesi</i>	<i>Errina atlantica</i>
<i>Errina dabneyi</i>	<i>Lepidopora eburnea</i>	<i>Euphorbia despoliata</i>
<i>Euphorbia longifolia</i>	<i>Euphorbia pedroi</i>	<i>Euphorbia piscatoria</i>
<i>Euphorbia stygiana</i>	<i>Dactylorhiza foliosa</i>	<i>Goodyera macrophylla</i>
<i>Orchis scopulorum</i>	<i>Platanthera micrantha</i>	

Spain:

<i>Gallotia simonyi</i>	<i>Podarcis lilfordi</i>	<i>Podarcis pityusensis</i>
<i>Aulocyathus atlanticus</i>	<i>Caryophyllia seguenzae</i>	<i>Stephanocyathus crassus</i>
<i>Trochocyathus mediterraneus</i>	<i>Balanophyllia thalassae</i>	<i>Flabellum chunii</i>
<i>Crypthelia affinis</i>	<i>Stylaster ibericus</i>	<i>Euphorbia aphylla</i>
<i>Euphorbia atropurpurea</i>	<i>Euphorbia berthelotii</i>	<i>Euphorbia bourgaeana</i>
<i>Euphorbia bravoana</i>	<i>Euphorbia broussonetii</i>	<i>Euphorbia canariensis</i>
<i>Euphorbia handiensis</i>	<i>Euphorbia jubaephylla</i>	<i>Euphorbia lambii</i>
<i>Euphorbia minuta</i>	<i>Euphorbia navae</i>	<i>Euphorbia petterssonii</i>
<i>Barlia metlesicsiana</i>	<i>Habenaria tridactylites</i>	<i>Ophrys balearica</i>
<i>Ophrys fusca</i>	<i>Orchis canariensis</i>	

Common to Portugal and Spain:

<i>Lynx pardinus</i>	<i>Stichopathes ichardi</i>	<i>Tanacetipathes squamosa</i>
<i>Crypthelia vascomarquesi</i>	<i>Euphorbia longifolia</i>	

In the "Red List" of the IUCN (International Union for Conservation of Nature and Natural Resources), posted 891 species for the continental territories of Spain and Portugal (Iberia), of which 76 have forestry activity as one of the threats:

<i>Anacyclus pyrethrum</i>	<i>Anarrhinum longipedicellatum</i>	<i>Andrena bucephala</i>
<i>Andrena curtula</i>	<i>Andrena fulva</i>	<i>Andrena gredana</i>
<i>Andrena semilaevis</i>	<i>Antirrhinum lopesianum</i>	<i>Arabis sadina</i>
<i>Armeria rouyana</i>	<i>Arnica montana</i>	<i>Asphodelus bento-rainhae</i>
<i>Bombus reinigiellus</i>	<i>Bunium bulbocastanum</i>	<i>Buprestis splendens</i>
<i>Calopteryx virgo</i>	<i>Candidula belemensis</i>	<i>Candidula najerensis</i>
<i>Centaurea citricolor</i>	<i>Centaurea fraylensis</i>	<i>Centaurea gadorensis</i>
<i>Centaurea pulvinata</i>	<i>Cordulegaster bidentata</i>	<i>Coronopus navasii</i>
<i>Culcita macrocarpa</i>	<i>Cypripedium calceolus</i>	<i>Dactylorhiza elata</i>
<i>Dianthus marizii</i>	<i>Dryopteris corleyi</i>	<i>Elona quimperiana</i>
<i>Epeolus cruciger</i>	<i>Epipactis leptochila</i>	<i>Epipactis phyllanthes</i>
<i>Epipactis purpurata</i>	<i>Erodium rupicola</i>	<i>Eryngium viviparum</i>
<i>Euphorbia nevadensis</i>	<i>Ferula communis</i>	<i>Festuca brigantina</i>
<i>Festuca summilusitana</i>	<i>Flavipanurgus granadensis</i>	<i>Flavipanurgus ibericus</i>

<i>Flavipanurgus venustus</i>	<i>Ionopsidium savianum</i>	<i>Juncus valvatus</i>
<i>Leiostyla ânglica</i>	<i>Lithodora nítida</i>	<i>Luronium natans</i>
<i>Lynx pardinus</i>	<i>Malus sylvestris</i>	<i>Moehringia fontqueri</i>
<i>Narcissus asturiensis</i>	<i>Narcissus cyclamineus</i>	<i>Narcissus triandrus</i>
<i>Neottia nidus-avis</i>	<i>Nomada similis</i>	<i>Oestophora lusitânica</i>
<i>Oestophora silvae</i>	<i>Oestophorella buvinieri</i>	<i>Omphalodes littoralis</i>
<i>Ononis maweana</i>	<i>Paeonia officinalis</i>	<i>Phenacolimax major</i>
<i>Picris willkommii</i>	<i>Pteris incompleta</i>	<i>Ropalopus femoratus</i>
<i>Silene longicilia</i>	<i>Stenagostus laufferi</i>	<i>Suboestophora altamirai</i>
<i>Teucrium charidemi</i>	<i>Thorella verticillato-inundata</i>	<i>Thymus capitellatus</i>
<i>Trissexodon constrictus</i>	<i>Veronica micrantha</i>	<i>Vertigo moulinsiana</i>
<i>Xerocrassa edmundi</i>		

Proportions of SBP feedstock product groups in 2017

Product Group	Certification	Nº Suppliers	Species	Quantities (t)	%
Controlled Feedstock	FSC CW / Controlled Sources PEFC (*)	16 and JAF	Pine	105.371,40	97,02
SBP-compliant Primary Feedstock	FSC/PEFC	1	Pine	72,60	0,07
	PEFC	1	Pine	25,24	0,02
SBP-compliant Secondary Feedstock	FSC/PEFC	1	Pine	3.057,80	2,82
	PEFC	1	Pine	79,97	0,07

2.2 Actions taken to promote certification amongst feedstock supplier

The company has contacted each of its suppliers and affirmed the importance of providing certified material (FSC or PEFC), pointing out the increasing demands of markets and consumers regarding the legal and sustainable source of forest products, including biomass for energy production.

The person responsible for standing timber or log purchases has also informed the producers and forest owners that added value is gained by managing their areas as certified, either individually or through group initiatives recognized by the company.

In addition, the company’s employees have participated in events related to management and forest certification, trying to gather information and give their contribution to the development of the subject, especially in Portugal.

2.3 Final harvest sampling programme

The company uses roundwood originating in final *fellings* from forest areas with rotation period exceeding 40 years only for the production of saw wood. Uses only forest residues (branch, tree tops, etc) and secondary feedstock for pellets production.

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

Insert flow diagram.

2.5 Quantification of the Supply Base

Supply Base

- | | |
|--------------------------------|---------------------------------------------------------------------|
| a. Total Supply Base area: | 21,5 millions ha |
| b. Tenure by type: | Privately owned: 15,4 millions ha; Public: 6,1 millions ha |
| c. Forest by type: | Temperate: 21,5 millions ha |
| d. Forest by management type: | Plantation: 16,9 millions ha; Natural/Semi natural: 4,6 millions ha |
| e. Certified forest by scheme: | FSC: 645.259 ha PEFC: 2.364.626ha |

Feedstock

- f. Total volume of Feedstock: 0 – 200.000 tonnes (108.607,02 tonnes)
- g. Volume of primary feedstock: 0 – 200.000 tonnes (0 tonnes)
- h. Percentage of primary feedstock categories
- Certified to an SBP-approved Forest Management Schemes: 0 % (0 tonnes)
 - Not certified to an SBP-approved Forest Management Schemes: 0 % (0 tonnes)
- i. List all species in primary feedstock, including scientific name
- Maritime pine (*Pinus pinaster*)
 - Radiata pine (*Pinus radiata*)
 - Umbrella pine (*Pinus pinea*)
 - Eucalyptus (*Eucalyptus* spp) – Only for energy production
- j. Volume of primary feedstock from primary forest: 0 tonnes
- k. Percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme – 2,98 %
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – 0 %
- l. Volume of secondary feedstock: 108.607,02 tonnes – 5. 80% - 100% (100%)
- m. Volume of tertiary feedstock used: 0 tonnes – 1. 0%-19% (0%)

Forecasts to 2017:

For the following year are expected small changes in the profile of supply, because it is planned to increase the production capacity of pellets, but forecasts are under similar orders of magnitude of this period.

With the company's efforts to encourage the supply of certified material (FSC or PEFC), there may be values for these categories of material next year.

There is also intention to implement a Supply Base Evaluation (SBE) and get raw material "SBP compliant".

3 Requirement for a Supply Base Evaluation

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

All raw forest material consumed is certified by PEFC or FSC. If the material is not certified, it is controlled within the Chain of Custody Management System of the company, which is certified according to FSC-STD-40-005 Standard for company Evaluation of FSC Controlled Wood and PEFC ST 2002: 2013: Chain of Custody of Forest Based Products - Requirements.

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.

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

This report was sent to an independent reviewer. The review period was 10 days. The comments received were duly considered in the final edition of the report.

The reviewer is a Registered Professional Forester with university degrees in forestry from both Sweden and Canada. Since 1982, he has worked for various forest based companies and organisations in Sweden, Canada, Switzerland and Portugal where he currently resides.

At this time, he works in Portugal, Sweden, Norway and Canada as a natural resource consultant in management, representation and certification as well as an auditor for FSC, PEFC, ISO 9001, ISO 14001, ISO 19011, OHSAS 18001 and GAP analyses.

This version of the SBR has been revised in order to update the values of consumption and production, with no changes in the characteristics of the supply base to justify a new peer review.

11.2 Public or additional reviews

N/A

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Francisco Fernandes Giovanni de Alencastro	Commercial Responsible Consultant	25/01/2018
	Name	Title	Date
The undersigned person confirms is General Director of the organization and do hereby affirms that the contents of this evaluation report were duly acknowledged as being accurate prior to approval and finalization of the report.			
Report approved by:	José Luís Afonso	General Director	25/01/2018
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

There is a direct consequence of forest fires during the summer of 2017, with an increase in the acquisition and storage of raw materials arising out of burnt areas. So, the importation of wood from Spain has been practically nil in the end of the year of 2017.

13.2 Effectiveness of previous mitigation measures

Not Applicable.

13.3 New risk ratings and mitigation measures

Not Applicable.

13.4 Actual figures for feedstock over the previous 12 months

Material that was acquired last year (2017) is thus summarized:

Material	Origin	Species	Amount (t)
Roundlogs, purchased standing or piled. (For sawing or chipping)	Spain	Pine	18.593,27
	Portugal	Pine	136.722,463
Purchased roundlogs delivered at the mill (For sawing or chipping)	Portugal	Pine	82.416,34
Own chips and sawdust (sawmill residues)	Portugal	Pine	68.155,49
Purchased chips and sawdust delivered at the mill	Portugal	Pine	52.187,24
Own biomass (bark and other sawmill residues)	Portugal	Pine	4.630,28
Own biomass (forest residues, bark, waste and logging debris)	Portugal	Pine and Eucalyptus	4.412,52
Purchased biomass delivered at the mill (bark and sawmill residues)	Portugal	Pine	2.023,61

13.5 Projected figures for feedstock over the next 12 months

Using the categories in section 2.5 'Quantifying the Supply Base (above)', provide an updated projection for the next 12 month period. Volume can be shown in a range 1, between 0 and 200,000 tonnes or m3.

The planned supply for 2018 is thus summarized:

Material	Origin	Species	Amount (t)
Roundlogs, purchased standing or piled. (For sawing or chipping)	Spain	Pine	25.000
	Portugal	Pine	150.000
Purchased roundlogs delivered at the mill (For sawing or chipping)	Portugal	Pine	80.000
Own chips and sawdust (sawmill residues)	Portugal	Pine	80.000
Purchased chips and sawdust delivered at the mill	Portugal	Pine	60.000
Own biomass (bark and other sawmill residues)	Portugal	Pine	6.000
Own biomass (forest residues, bark, waste and logging debris)	Portugal	Pine and Eucalyptus	6.000
Purchased biomass delivered at the mill (bark and sawmill residues)	Portugal	Pine	3.000

For the next few months, there are some changes in capacity to produce pellets, already approved by the Administration, which will cause changes in the profile of supply, increasing the projected Supply Base to the period.

At the beginning of the third quarter of 2018, the importation of wood from Spain, should resume your normal level. Forest production in Portugal remains unknown, given to large forest fires during the summer of 2017, which may influence the increase of the volumes of imported wood.