

SCS Global Services Evaluation of Amapá Florestal e Celulose S.A - Amcel Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.4

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

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1 Overview

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Current report completion date:	28/Aug/2019
Report authors:	Kyle Meister and Vanilda Souza
Name of the Company:	Amapá Florestal e Celulose S.A - Amcel
Company contact for SBP:	Rua Cláudio Lúcio Monteiro, S/N – Bairro Novo Horizonte, Santana - AP, 68925-000, Brazil
Certified Supply Base:	Amapá, Brazil
SBP Certificate Code:	SBP-04-44
Date of certificate issue:	16/Sep/2019
Date of certificate expiry:	15/Sep/2024

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

The scope of the evaluation included review of evidence to determine conformance to SBP Standards 2 (V1.0), 4 (V1.0), and 5 (V1.0). The certificate covers the production, transport, storage, and trade of woodchips made from SBP-compliant feedstock, including transport by conveyor from the chip mill in Santana, Amapá, Brazil to the Port of Santana, Amapá, Brazil. It also includes the communication of Dynamic Batch Sustainability Data.

O escopo da avaliação incluiu a revisão de evidência para determinar a conformidade aos padrões 2 (V1.0), 4 (V1.0) e 5 (V1.0) do SBP. O certificado cobre a produção, transporte, armazenamento e comércio de cavacos de madeira produzidos a partir de matéria-prima em conformidade com os padrões SBP, incluindo o transporte por correia transportadora da planta de cavacos em Santana, Amapá, Brasil até o Porto de Santana, Amapá, Brasil. Ele também inclui a comunicação de dados de sustentabilidade de lotes dinâmicos.

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 evaluation included Instruction Document 5D: Dynamic Batch Sustainability Data v1.1.

The following critical control points were identified and evaluated:

1. Processes for procurement and processing, transport and storage of feedstock:

- Procurement: all feedstock arrives to the production facility with an FSC or PEFC claim from the BP's FSC/CERFLOR-certified FMU (Note: CERFLOR is PEFC-recognized in Brazil);
- Processing: feedstock such as logs are processed into woodchips in the field and delivered to the in-forest wood chip pile at the production facility or delivered to the BP's facility for processing into woodchips. In-forest woodchips are used for biomass energy products, while woodchips produced from logs at the production facility are marketed primarily for pulp and paper products, though some may be sold for biomass energy products depending on variables such as quality, available storage space, etc. Volumes of fine residues are tracked using internal record-keeping systems based on species mixes, particle size, and dozer-shovel scoop size;
- Transport: In-forest produced woodchips are delivered to the BP's processing facility and stored in piles prior to being mixed with woodchips made from logs in the BP's processing facility. Volumes of these feedstocks are measured at the scale-house for the production facility.;
- Storage: In-forest produced woodchips are stored in piles at the BP's processing facility separately from woodchips made at the production facility. There are separate transport routes for log and chip trucks after leaving the scale-house. Trucks directly unload in-forest woodchips onto this pile. Logs delivered are unloaded and stored in numbered piles based on size and species/species mix. Unloading is done by machine after truckdrivers are directed to the appropriate location for unloading. Fine residues are stored in separate piles and mixed with woodchips sold for biomass energy products during loading onto conveyor belts. Both in-forest produced chips and fine residues are handled using dozer-shovels and bulldozers equipped with modified flat blades. Woodchips produced from logs are conveyed into piles based on species/species mix and/or client specifications. When a ship is ready to load, using dozer-shovels, woodchips and fine residues are loaded into storage hoppers that hang over conveyor belts;
- Conveying and loading onto the ship: all woodchips and fine residues are loaded onto conveyor belts per specifications that require using alternating scoops of all biomass. Biomass is weighed on the conveyor prior to being loaded onto the ship. Biomass samples are taken from the conveyor belt for quality measurements (e.g., moisture, density, etc.). The weight taken on conveyor belt is compared to the ship's draft scale. The legal ownership of biomass changes to the customer when it is loaded onto the ship;
- Non-certified areas: Non-certified areas have been excised from the scope of FSC/PEFC and consist of native species or other types of plantations that the BP has chosen to exclude. Per interviews with staff, observation of log piles and review of volume tracking data, there is no non-certified material in stock.

2. Volume accounting method

- The transfer (FSC) and physical separation (PEFC/CERFLOR) systems are used; all material is FSC 100% or 100% PEFC equivalent; and
- Volume data is tracked at the production facility starting at the scale-house, and on to storage areas, production, storage of finished product, and loading onto ships. All data is summarized in annual volume summaries per FSC and PEFC requirements.

3. Documentation of transactions

- For transportation of feedstock from the FSC- and PEFC-certified FMU, a system of transport and scaling documents are used to trace feedstock to the harvest block of origin; and
- Sales of biomass are documented on invoices and the BP intends to use DTS as well.

4. Energy data collection and reporting

- The BP has completed the Woodchip SAR;
- Data is summarised based on annual volume tracking data for feedstock;
- The BP plans to communicate the Woodchip SAR to customers using DTS and/or email.

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

NA – not applicable; there is no SBP-endorsed Regional Risk Assessment.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Amapá Floresta e Celulose S.A. (AMCEL or BP) is located in the state of Amapá, Brazil. It produces and exports woodchips for pulp production (Cellulose woodchip) and energy generation (Biomass woodchip). All feedstock originates from AMCEL's FSC- and PEFC-certified plantations of Eucalyptus and Acacia species.

5.2 Description of Company's Supply Base

The BP sources feedstock exclusively from its FSC- and PEFC-certified plantations located in the Brazilian state of Amapá. While much of the certified FMU consists of exotic species plantations, there are conservation areas consisting of native Amazonian Rainforest that are subject to FSC and PEFC rules regarding measures to maintain and protect such areas. Refer to the BP's Supply Base Report for maps and other details about the Supply Base.

5.3 Detailed description of Supply Base

A quantitative description of the Supply Base can be found in the BP's Supply Base Report. For the 2019 evaluation, the BP provided the following summary statistics:

- a. Total Supply Base area (ha): 166,696.06 ha (100% AMCEL S.A. – Brazil)
- b. Tenure by type (ha): 166,696.06 ha Privately owned. Properties – Amcel Unificada=152,683.84ha; Retiro Alvorada=179.70; Retiro Peixe Boi=476.01; Granja Surucuá=101.27; Flexal=140.24; Platon=4,367.28; Porto Grande=207.37; Fazenda Areia Branca=1,793.02; Retiro Vai Quem Quer=2,989.97; Retiro Retorno=449.35; Retiro Tira Teima=779.60; Retiro Escondido=528.77.
- c. Forest by type (ha): 166,696.06 ha Eucalyptus, Acacia and, Pinus spp forest
- d. Forest by management type (ha): 166,696.06 ha Plantation
- e. Certified forest by scheme (ha): AMCEL S.A. 166,696.06 ha ([FSC®-C023383](#) and [CERFLOR](#) 100% certified)

5.4 Chain of Custody system

The BP sources exclusively from its FSC- and PEFC-certified plantations. It uses FSC- and PEFC-compliant chain of custody control systems to track all certified material from the certified FMU. All material is controlled using the transfer (FSC) or physical separation (PEFC) system.

6 Evaluation process

6.1 Timing of evaluation activities

The onsite evaluation occurred at the BP's facilities in Amapá, Brazil from 26-27 August 2019. The lead auditor and a local expert/trainee conducted the evaluation. No pre-evaluation was conducted. An opening meeting was held on August 26. This was followed by a review of procedures, interview of relevant staff, the material accounting system, supply base report, a walkthrough of the plant and energy data review for Standard 5. Day 2 continued with Standard 5 and a closing meeting was held on August 27, 2019.

6.2 Description of evaluation activities

The audit consisted of a review of requirements for SBP Standards 2, 4, and 5. Methods used to evaluate each requirement included a combination of review of documentation (e.g., procedures, records); observation of production processes, critical COC control points, and emissions control points (GHG); and interviews with key staff. Confirmation of emissions control points was done via direct observation of the BP's facilities and interviews with responsible staff to ensure that the Woodchip SAR contained accurate information and that no such control points were inadvertently omitted.

6.3 Process for consultation with stakeholders

A notification was sent to stakeholders at least 30 days prior to the onsite evaluation. No stakeholders provided comments before or during the audit. The BP's consultation processes yield no comments related to SBP.

SCS relies on its Master Stakeholder List, which contains stakeholders that are identified by type, e.g. ENGO, Government/regulatory, Educational/Academic, Industry, Indigenous/Aboriginal/Tribal, etc. This list is categorized by country and state/province at the very least, and for this consultation was filtered to omit any stakeholders that were not geographically relevant to the certificate-holder/applicant's supply area(s). A stakeholder notification is sent out to all identified stakeholders. Stakeholder comments that are received outside of regular stakeholder consultation periods are fully taken into account. No other comments from stakeholders came to the attention of SCS.

7 Results

7.1 Main strengths and weaknesses

The BP has procedures and managerial systems to ensure effective implementation of its SBP-related control systems. Since the BP only sources material from its own FSC- and PEFC-certified FMU, overall risk of noncompliant material entering the supply base is extremely low. Refer to findings section for weaknesses.

7.2 Rigour of Supply Base Evaluation

NA – not applicable; the BP did not conduct an SBE since all feedstock is already SBP-compliant (i.e., it is FSC 100% or equivalent).

7.3 Collection and Communication of Data

The BP maintains data on feedstock in storage, production, and final product in storage prior to loading and shipping. Some errors in reporting this data were detected in the SBR and SAR, but this is low risk since all material is FSC/PEFC 100% certified. For voluntary data reported in the Woodchip SAR, qualified BP staff performed calculations based on biomass volume and specifications of electricity-using devices at the production facility and port.

7.4 Competency of involved personnel

All BP staff interviewed were knowledgeable of their assigned duties and how they fit into achieving and maintaining conformance to SBP requirements. The staff directly in charge of maintaining overall conformance to SBP requirements is knowledgeable of all staff and contractor roles. For example, electricians were consulted in determining energy use reported in the Woodchip SAR.

7.5 Stakeholder feedback

No stakeholders provided comments to the BP or to SCS Global Services during consultation activities.

7.6 Preconditions

No preconditions were assigned.

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

NA – not applicable; the BP did not conduct an SBE since all feedstock is already SBP-compliant (i.e., it is FSC 100% or equivalent).

9 Review of Company's mitigation measures

NA – not applicable; the BP did not conduct an SBE since all feedstock is already SBP-compliant (i.e., it is FSC 100% or equivalent).

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

NC number 2019.1	NC Grading: Observation
Standard & Requirement:	Primary reference: ST 2, 15.3; Secondary reference(s): ST 2, 7.5 (IN-2C 5.1, 5.2 and 5.4); ST 5, ID5A, 2.2.5, 2.2.6, 2.3.2, 2.3.3; ID5D, 2.6; and see also NCs listed below
Description of Non-conformance and Related Evidence:	
<p>The BP has environmental management and chain of custody systems that include procedures for several SBP requirements. However, issues with reporting correct data and replicating the methodologies used to determine figures were detected (refer to NCs in this report) for Standards 2 and 5. Procedures for ST 2 and 5 may need to be developed to ensure long-term conformance to SBP requirements. / O BP conta com sistemas de gestão ambiental e cadeia custódia que contemplam procedimentos para muitos requerimentos do SBP. Contudo, se detectaram questões com a reportagem dos dados corretos e a replicação das metodologias empregadas para determinar os dados (verifique às NCs contidas neste relatório) para os padrões 2 e 5. Possivelmente o BP precisa elaborar procedimentos para os ST 2 e 5 para assegurar a conformidade aos requerimentos do SBP em longo prazo.</p>	
Timeline for Conformance:	Other Response is optional
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	<i>Choose status.</i>

NC number 2019.2	NC Grading: Minor
Standard & Requirement:	Primary reference: ST 4, 5.3.1; Secondary reference(s): ST 5, 5.1; and ID 5A, 2.1.3/ ID 5B, 2.1.2/ ID 5C, 2.1.2

Description of Non-conformance and Related Evidence:	
<p>All biomass data reported in the SBR is compiled in an Excel file (e.g., Dados Vendas Biomassa 2018); however, total biomass is reported in section 2.5 of the SBR rather than the feedstock volumes (volume de matéria prima). Per review of associated feedstock volume records maintained in Excel and interviews with inventory and auxiliary maintenance staff, the feedstock volumes recorded and reported in the SAR and SBR do not match. Data available in the inventory control system are based on estimates of existing stock, scale-house measurements, and final biomass measurements taken at the port. This resulted in a negative stock, which may indicate an issue in the stock measurement methodology. This NC is graded as Minor since all feedstock and biomass are FSC/PEFC 100% certified. Evidence: SBR, section 2.5; SAR, Section C, Part 3; Excel files: Dados Vendas Biomassa 2018 and others. / Todos os dados de biomassa estão apresentados em arquivos Excel (p.ex., Dados Vendas Biomassa 2018); entretanto, é reportada a biomassa total ao invés dos volumes da matéria prima na seção 2.5 do SBR. Os dados disponíveis no sistema de controle estão baseados na entrada da matéria prima, na saída de produtos e nas estimativas de estoque existente. Segundo a revisão dos registros de volumes de matéria prima, mantidos em Excel, e as entrevistas com o pessoal de inventário e auxiliar de manutenção, os volumes de matéria prima registrados e reportados no SAR e SBR não coincidem. Isso resultou num estoque negativo, o qual pode ser indicativo de um erro na metodologia de medição de estoque. Esta NC é menor porque toda a matéria prima e a biomassa são certificadas FSC/PEFC 100%. Evidência: SBR, seção 2.5; SAR, Seção C, Parte 3; arquivos em Excel: Dados Vendas Biomassa 2018, entre outros.</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 2019.3	NC Grading: Minor
Standard & Requirement:	Primary reference: ST 5, ID 5B 2.1.4
Description of Non-conformance and Related Evidence:	
<p>Distances to harvest blocks were confirmed on GIS maps produced by the BP's staff. However, the average distances reported in the SAR for the different feedstocks could not be replicated since the BP did not have a consistent methodology for calculating average distance based on harvest blocks entered in 2018. Evidence: GIS maps, Woodchip SAR, interviews with staff. / Foram confirmadas as distâncias aos blocos de colheita (hortos) nos mapas georreferenciados produzidos pela equipe do BP. Entretanto, não é possível replicar as distâncias médias reportadas no SAR para as matérias primas distintas posto que o BP não possui uma metodologia consistente para calcular as distâncias médias baseadas nas localizações das fontes de madeira entregadas em 2018. Evidência: mapas georreferenciados, SAR de cavaco, entrevistas com funcionários do BP.</p>	
Timeline for Conformance:	Other Before SAR can be sent to approval.
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>

Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:

Certification decision:	Certification approved
Certification decision by (name of the person):	Sebastian Häfele
Date of decision:	16/Sep/2019
Other comments:	<i>Click or tap here to enter text.</i>