

SBP

Sustainable Biomass Program

NEPCon Evaluation of Reginacork - Indústria e Transformação de Cortiça, SA Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

www.sbp-cert.org



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/May/2020
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Name of the Company:	Reginacork - Indústria e Transformação de Cortiça, SA. Legal and production site address: Herdade do Monte Novo - Apartado 75, 2959-909 Pinhal Novo Portugal
Company contact for SBP:	Sofia Cardoso, forest engineer. Email: mailto:florestal@reginacork.pt
Certified Supply Base:	Portugal (mainland)
SBP Certificate Code:	SBP-07-01
Date of certificate issue:	26/Jun/2018
Date of certificate expiry:	25/Jun/2023

This report relates to the Second Surveillance Audit

2 Scope of the evaluation and SBP certificate

Production of wood pellets and chips (for energy production), at Reginacork's plant at Pinhal Novo and transportation to different end points all over the world. The scope of the certificate includes the Supply Base Evaluation of primary feedstock from Continental Portugal. The scope of the certificate includes communication of Dynamic Batch Sustainability Data.

3 Specific objective

The specific objective of this evaluation was to confirm if 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 the BP's Supply Base Evaluation and its Mitigation Measures;
- Field visits to verify the Mitigation Measures in forests being exploited;
- Review of the production processes, production site visit;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- SAR and relevant energy use data review

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

Not applicable.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

The Biomass Producer is a company located in Pinhal Novo in the centre-south of Portugal.

Reginacork has started production in 1994, only at cork sector, and in 2017 an integrated pellet unit was commissioned.

Reginacork produces wood pellets and wood chips (besides cork products out of SBP scope).

Inputs are mainly from pines (*Pinus pinea* and *Pinus pinaster*), being the roundwood sorted at the plant and saw logs sold to sawmills.

For the drying process the BP uses cork powder an output from the integrated cork plant, derived from cork oak (*Quercus suber*).

All incoming feedstock is either FSC certified, FSC Controlled or input material supplied without an FSC claim which has been assessed to be in conformity to the requirements of the standard FSC-STD-40-005 applicable for feedstock originating from Portugal continental.

Origin information at FMU level (forestry) is available on the delivery documents and also sanitary manifest is used as origin declaration for softwood.

The BP has implemented FSC credit system. Biomass is transported by trucks to harbours under FOB Incoterms delivery conditions. Pellet plant design capacity is 28 000 metric tons of pellets per year.

5.2 Description of Company's Supply Base

The Supply Base is Continental Portugal, both for wood resources, and cork. Reginacork has performed an SBP Supply Base Evaluation (SBE). The scope of the SBE is in line with the Supply Base (also Continental Portugal). Cork, however, is not included in the scope of the SBE, as it is not used for pellet production.

In the reporting period, the BP executed forest operations itself, and bought different kinds of feedstock and cork. Sourced are roundwood, low-grade tree stems and forest residues, sawdust, and raw cork.

Feedstock supply covers the following categories (and tree species):

- Low grade tree stems / Fuel wood (FSC W1.2):
Maritime pine (*Pinus pinaster*); Umbrella pine (*Pinus pinea*); Eucalyptus (*Eucalyptus spp.*); Acacia (*Acacia spp.*); Narrow-leafed ash (*Fraxinus angustifolia*);
- Harvesting residues / Twigs (FSC W1.3):
Maritime pine (*Pinus pinaster*); Umbrella pine (*Pinus pinea*); Eucalyptus (*Eucalyptus spp.*); Poplar (*Populus spp.*); Acacia (*Acacia spp.*); Narrow-leafed ash (*Fraxinus angustifolia*);
- Sawdust (FSC W3.2):
Maritime pine (*Pinus pinaster*); Umbrella pine (*Pinus pinea*);

Although the supply base consists of continental Portugal as a whole, in the reporting period, the BP has sourced wood and cork only from the following regions in the centre-south of the country:

- Lisbon;
- Setubal;
- Santarem;
- Evora;
- Beja;
- Portalegre.

These regions are mainly composed of pine, oak and eucalyptus. In Portugal that there are more than half a million forest owners, and most own only one or two ha of land. However, in the South the average size of the properties is larger. In the region of Alentejo (which includes Évora, and Beja) the average size of the wood land plots is 22,6 ha (Coelho Inocência).

Reginacork works with approximately 25 primary wood suppliers and buys wood directly from forest owners (wood on stem). When buying from forest owners, Reginacork subcontracts harvesting teams to conduct the harvesting. The harvesting teams mainly do maintenance and selective cuttings. When the wood is chipped at the place of harvesting, Reginacork does this with its own chipper and personnel. The harvesting teams work at a small number (approximately six) land owners a year.

Reginacork can buy a small amount of non-certified secondary feedstock from a few sawmills in the neighbourhood (around 3 companies), but that feedstock is not used for SBP biomass production.

Considering pellet production around 98% of the feedstock was in SBP-scope and 98% was SBP-compliant feedstock. Considering wood chips around 82% was in SBP-scope and 79% SBP-compliant feedstock. Regina Cork maintains physical segregation of feedstock and biomass out of scope. Next to the export of SBP industrial pellets, Reginacork sells wood chips to companies on the local market and high-quality wood pellets to the residential market.

Cork powder is a residue from Reginacork's own production of natural cork granules is used for heating the feedstock dryer. Natural cork from the cork oak (*Quercus suber*) is coming from about 100 suppliers in Continental Portugal.

Description 'Continental Portugal'

According to the final report of last National Forest Inventory (IFN6) - 2015, the Portuguese Forest covers 6,2 million ha, it represents 69,4% of Portugal Mainland.

The soil use in Portugal Mainland (2015) correspond to:

- 36% of forest
- 31% - pastures and bushes;
- 24% - farmland;
- 5% - urban use;
- 2% - inland waters;
- 2% - unproductive.

Forest occupation in Portugal Mainland (2015):

- 26% - *Eucalyptus spp.*;
- 22% - *Quercus suber*;
- 22% - *Pinus pinaster*;
- 6 % - *Pinus pinea*;
- 3% - *Quercus spp.*;
- 2% - *Castanea sativa*;
- 6% - Other hardwoods;
- 2% - Other softwoods.

In Portugal, around 97% of forest land is private (including individuals, communities, cooperatives and companies). The remaining 3% is public. Forest areas integrated in the National System of Conservation Areas represent 19% of the Portuguese mainland forest (IFN6). National forests and forest perimeters, under ICNF represent 6% of the forest. Typical distribution of the Forest private property on several regions of the Portuguese mainland (Coelho, Inocêncio):

- Trás-os-Montes, Douro e Minho regions show a property average size of 1,9 ha/owner, being 63% of properties with less than 10 ha.
- Beira Interior and Beira Litoral, in the central region of Portuguese mainland show a property average size of 1,46 ha/owner and properties under 10ha representing 62% of the forest area.
- Ribatejo and West – 7,53 ha/owner average and 55,6% of the forest properties above 100 ha.
- Alentejo – 22,6 ha/owner average and 68,8% of the forest properties above 100 ha.
- Algarve – 2,83 ha/owner and 59% of properties with less than 10 ha

The forest area under communitarian management (Baldios) are subject to old customary and traditional rights and regulated by specific laws. In Portugal, there are no indigenous peoples or specific minorities relying on the forests.

Some key aspects of forests in Portugal determine the development of its management, namely:

- A long and well-established relationship between forests and society;
- One of the biggest large-scale afforestation programs of the twentieth century (forest cover has increased from under 2,0 million to over 3,2 million ha over the last 100 years);
- Various regions with different forest species and silvicultural systems; specific forestry legislation directed towards regional development strategies;
- The small property size and its fragmentation, mainly in the northern and central regions, where estates often have dimensions of less than 1 hectare.

Forest Management Plans (PGF) are mandatory for forest areas above a minimum area defined by Regional Forestry Management Plans (PROFs) as well as in Forest Intervention Areas (ZIF, 940 432 ha). In 2016, there were 1 680 000 ha under PGF from which 450 034 ha overlap the National Classified Areas Network. A felling manifest is required for commercial felling (including all thinning) of all tree species for industrial purposes, with a 30-day deadline after the operation is concluded. The national forest and conservation authority is the Institute of Conservation of Nature and Forests (ICNF) with competencies on all forest, hunting and nature conservation affairs. ICNF also manages public forest areas and is involved in the management of community areas. Additionally, the Environmental Service of the National Republican Guard (SEPNA / GNR) is engaged in the inspection of environmental issues and natural resources in all private and public areas.

In Portugal getting in forest lands is not considered invasion even on private properties, and it is common the use of wild products by communities (mushrooms, asparagus, snails, besides fishing on public waters).

The felling phytosanitary manifest includes identification of the origin of the felling. Also, documentation for transportation identifies the origin of the transport which could be useful in case of direct transport to BP facilities and in any case, is useful in the traceability of material. Both are the most common ways to trace back to origin even if the origin area is not the forest land itself but the smallest administrative division where forest land is included. However, there are still areas in Portugal without a cadastral system.

Regarding species, the most relevant in terms of biomass production are maritime pine (*Pinus pinaster*) 23% of forest surface 714 000 ha, eucalyptus (*Eucalyptus spp.*) 26% of forest surface 812 000 ha and stone pine (*Pinus pinea*) 6% of forest surface 175 000 ha. It is important to highlight that stone pine is mainly used to produce pine nut and mostly the thinning and pruning by-products are used for pellet production. maritime pine and eucalyptus are spread all around the country. Stone pine can mainly be found in the South.

To derive maximum economic benefit, distribution of the three main forest species – maritime pine, eucalyptus and cork oak – is vertically integrated within the forestry industry, with maritime pine and eucalyptus being concentrated in timber-producing areas and cork oak in multifunctional areas.

Regarding the main three tree species in Portugal:

- The maritime pine (*Pinus pinaster*), has rounded crown and grows up to 40 meters. It is the predominant species in the national forest. It is scattered all over the regions of northern and central coast of the country. This has been the species chosen in the afforestation campaigns carried out during the nineteenth century, due to its ability to adapt to poor and rocky soil. In addition, it regenerates easily. Its timber is widely used commercially.

Eucalyptus (*Eucalyptus globulus*), originally from Tasmania is present all over the country. These trees can grow up to 55 meters and grow rapidly. Especially used by pulp and paper industry,

- eucalyptus became one of the most planted trees in Portugal. In the 80's, there was great controversy about the negative effects of these trees in soil, water and biodiversity, which resulted in the implementation of legislation (Law N^o. 175/88 of May 17 and Law N^o. 513/89, 6 July) that restricts the increase of monoculture plantation of this species.
- The cork oak (*Quercus suber*) is a tree with a rounded canopy up to 20 meters, which produces cork intensively. This is an evergreen indigenous species, typical of Mediterranean climate forests. Their presence can be found throughout the territory. Cork is a raw material with unique characteristics, the cork oak is the 'national tree' of Portugal. Portugal is the leading producer, processor and exporter of cork.

CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) does list a considerable number of protected plant species for Portugal, however, the list does not include any tree species.

<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>Paracyathus 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>	

The 'Red List' of the IUCN (International Union for Conservation of Nature and Natural Resources) indicates hundreds of plant species for the continental territory of Portugal, but also does not include any tree species. 49 plant species are reckoned relevant regarding forest operations.

<i>Ammoides pusilla</i>	<i>Anarrhinum longipedicellatum</i>	<i>Andrena curtula</i>
<i>Andrena fulva</i>	<i>Andrena gredana</i>	<i>Antirrhinum lopesianum</i>
<i>Arabis sadina</i>	<i>Aristolochia paucinervis</i>	<i>Armeria rouyana</i>
<i>Arnica montana</i>	<i>Asphodelus bento-rainhae</i>	<i>Bunium bulbocastanum</i>
<i>Calopteryx virgo</i>	<i>Candidula belemensis</i>	<i>Centaurea fraylensis</i>
<i>Clytus tropicus</i>	<i>Culcita macrocarpa</i>	<i>Dactylorhiza elata</i>
<i>Dianthus marizii</i>	<i>Elona quimperiana</i>	<i>Eryngium viviparum</i>
<i>Euphorbia transtagana</i>	<i>Festuca brigantina</i>	<i>Festuca summilusitana</i>
<i>Flavipanurgus granadensis</i>	<i>Flavipanurgus ibericus</i>	<i>Flavipanurgus venustus</i>
<i>Helicigona lapicida</i>	<i>Juncus valvatus</i>	<i>Leiostyla anglica</i>
<i>Lucanus barbarossa</i>	<i>Lynx pardinus</i>	<i>Malus sylvestris</i>
<i>Narcissus asturiensis</i>	<i>Narcissus cyclamineus</i>	<i>Narcissus triandrus</i>

The national legislation of Portugal does list protected tree species, and, for example, it is forbidden to cut any cork oaks (*Quercus suber*), and holm oaks (*Quercus ilix / Quercus rotundifolia*; protective measures by Law N°.155/2004) and European holly (*Ilex aquifolium*; protected by Law N°. 423/89).

Climate change and the occurrence of extreme meteorological events has increased the phenomenon of forest fires, mainly medium and big fires (more than 100 ha), one of the largest perceived risks in the Portuguese forestry sector, incurring very high costs. Climate change may also induce pests and diseases due to stress in host plants. In Portugal, phytosanitary problems affect mainly the cork oak and holm oak, showing its decline. The loss of vitality and the mortality of maritime pine is mainly related with the Wood Pine Nematode (WPN), detected in Portugal in 1999.

Goods produced by way of forestry activities sustain an important and integrated industrial chain based on natural resources that in turn supports a strong export sector. Portugal, therefore, views forests and forestry products as an area of crucial importance to its economy. The forest sector has a significant impact on its GDP - higher than the European average. The forest sector represents almost 10% of the national export trade and 2% of the Gross Value Added. Forests are also the base of an economic sector which generates around 100 000 direct jobs (4% of the active population).

5.3 Detailed description of Supply Base

Total Supply Base area:	3,2 million ha;
Tenure by type	Private: 3,1 million ha (97%, including 8% community managed); Public: 0,1 million ha;
Forest by type:	Temperate Forest: 3,2 million ha;
Forest by management type:	Plantations: 1,8 million ha;

Certified forest by scheme: Managed (semi-) natural: 1,4 million ha;
FSC: 434 thousand ha (2019); PEFC 277 thousand ha (2019)

Detailed information on BP's Supply Base may be found in Supply Base Report available in Internet:
http://www.reginacork.pt/?page_id=2293

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody with FSC Controlled Wood (controlled material) supplies in the scope of the certificate <https://info.fsc.org/details.php?id=a02f300000e18iBAAQ&type=certificate>.

The Organisation has implemented FSC credit system. All the input materials are received either with FSC certified claim, FSC Controlled Wood claim or the material is covered by organisation's own controlled material verification system to be in conformity to the requirements of the standard FSC-STD-40-005 applicable for feedstock originating from Portugal continental. The organization does not use any imported material. Incoming wood reception register and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal system.

FSC CoC system of BP has the following characteristics:

- A credit account management is applied and the proportion of the SBP-compliant and SBP-controlled biomass is calculated and all records are kept;
- Physical separation is applied to roundwood product group which is sorted (and sold) to sawmills;
- Sawdust (non-certified secondary feedstock) purchased from sawmills is out of SBP and FSC scope; this feedstock is physically separated and not used in FSC and SBP production.

Reginacork's cork plant has another credit account management for cork products (cork granules and cork powder) being the co-product cork powder used at pellet plant only for the dryer, not included in process.

6 Evaluation process

6.1 Timing of evaluation activities

The SBP annual audit was carried out on February 17-19, 2020 and it included visit of the pellet production facilities, and field inspection of the forest properties / forest management units where currently the feedstock is sourced from.

Total of 3 auditor days were used for this audit, please see more details in the table below.

Activity	Location	Auditor(s)	Date/time
Opening meeting	BP's office	NT, PP	17/02/2020 09.00-09.15
Review of SBP-related documents (Supply Base Report, SBP Procedure, FSC CoC procedure) and open NCRs from previous audit; Interviews with SBP responsible person and staff involved into SBP certification; Planning of the feedstock suppliers visits for the next audit days	BP's office	NT, PP	17/02/2020 09.15-13.00
Break			17/02/2020 13.00-14.00
Energy use data review; site tour	BP's office	NT, PP	17/02/2020 14.00-17.00
Primary feedstock suppliers visits	Portugal	NT, PP	18/02/2020 09.00-17.00
Primary feedstock suppliers visits	Portugal	NT, PP	19/02/2020 09.00-14.00
Discussion of open questions, collection of the information	BP's office	NT, PP	19/02/2020 14.00-16.00
Closing meeting	BP's office	NT, PP	19/02/2019 16.00-17.00

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Nikolai Tochilov, audit team leader Overall responsibility for the audit process.	NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn, Estonia in January 2015; previous experience with more than 40 SBP assessments and annual audits in Russia and Europe.

<p>Pablo Gómez-Reino Pérez, technical expert Support in evaluation against SBP Standards 1 and 2. General support of the audit team leader.</p>	<p>Independent Forest Engineer. Lead auditor since 2009 or NEPCon on FSC CoC and FM, PEFC CoC, SBP (Sustainable Biomass Partnership), Legal Source/EUTR, SAN (Agriculture Rainforest Alliance). More than 75 CoC FSC/PEFC and more than 30 FM FSC assessments, reassessments and audits conducted as lead auditor in Spain and Portugal leading multidisciplinary teams.</p>
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Description of the evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC/ CW system of the organisation, including SBP risk assessment, SBP Procedure, Supply Base Reports and FSC system description were provided by the company in the beginning of the audit.

The audit started with an opening meeting, where the lead auditor introduced the auditing team, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope. Auditor explained the aim and objectives of the audit, informed about the evaluation process, underlined the need to collect objective evidence through a combination of document review, site visits, interviews and discussions, explained the essence and importance of sampling aspect of the auditing. Special attention has been paid to explanation of the differences in minor and major nonconformity reports (NCRs) and that NCRs are an expected part of the process designed to help the organization strengthen its procedures and processes.

After that audit team went through all applicable requirements of the SBP standards nr. 1, 2, 4 and 5 covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, SBP risk assessment results and their justification, stakeholder consultation process, energy data and inputs and outputs of feedstock in the last period. During the process overall responsible person for SBP system and responsible staff having key responsibilities within the system were interviewed.

At the end of the first day, the sampling of the suppliers took place.

During the next two days of the evaluation, audits of individual suppliers at the FMU level took place.

In the audit period BP was sourcing the feedstock from 35 FMUs included into SBE, and all FMUs have been inspected by BP. It was decided by audit team, that witnessing of BP’s field audits of 2 FMUs is sufficient for NEPCon audit. The main purpose was not to inspect as much FMUs as possible, but to evaluate how risk mitigation measures are implemented by BP for ALL indicators concluded as specified risk in BP’s risk assessment within SBE. Implementation of mitigation measures for all specified risk indicators were evaluated during visiting the 2 FMUs. Preference was given to the FMUs where timber harvesting was on-going at the moment of inspection. It was also decided that the inspections are conducted by BP staff and witnessed by NEPCon audit team. NEPCon team was witnessing how BP staff is doing audits for the suppliers (including documents review, staff interviews and field inspections of the FMUs), and evaluating their compliance with the SBP requirements and how risk mitigation measures are implemented. Please see detailed description of risk mitigation measures implemented by BP below in Section 9 of this report.

At the end of the audit finding were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the company representatives.

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

6.3 Process for consultation with stakeholders

No stakeholder consultations conducted prior to, during and after this annual audit.

7 Results

7.1 Main strengths and weaknesses

Main strengths: Use of the FSC credit system. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: no weaknesses identified during this audit.

7.2 Rigour of Supply Base Evaluation

BiomassConsult, a consultancy company what has prepared over 50 SBP projects worldwide in the last 5 years, has prepared the SBE. It launched the first successful SBE in Portugal three years ago. To do so it launched an extensive research, in which it took into account many sources, interviews with regional stakeholders, the field experience of the specialists of the Biomass Producers. Since 2017, BiomassConsult has implemented the SBE at 6 biomass producers, and has improved it at every company and every following year, taking into account the experience gained during the field work of the biomass producers, and interviews with regional stakeholders. BiomassConsult has studied many sources of information of the last three years, among which many of the government and of NGOs.

In 2017, BiomassConsult studied the draft RRA made by NEPCon and by a Portuguese association, and has followed and participated to the development of the draft RRA since. BiomassConsult and ReginaCork however do not consider the latest draft RRA to be strict enough on certain legal, environmental, and social aspects. An old version of the draft regional risk assessment is available at the SBP webpage <https://sbp-cert.org/documents/consultation-documents/live-consultations/risk-portugal/> and includes the Continental Portugal as a Supply Base. The SBE of ReginaCork builds on this experience and identifies several more Specified Risk Indicators than the latest draft RRA. All indicators with specified risks designated by the draft RRA are also considered specified risk by the BP.

As no unspecified risks were found (only specified), no Supplier Verification Program required to be implemented.

After the risk assessment was completed, mitigation measures were proposed and consulted with stakeholders. As no comments were received, the BP has implemented the mitigation measures for the specified risk indicators as initially proposed.

7.3 Collection and Communication of Data

The BP has provided good overview of the requirements for energy data collection. Diesel is used for feedstock delivery and handling, and biomass transportation to customer. Electricity is used for pellet production. Biomass is used for drying of the feedstock, moisture measurement is taking place continuously.

7.4 Competency of involved personnel

Overall, BP staff involved into SBP certification showed good understanding of SBP requirements applicable to them. The company management has authorised on full time position a new staff member (holding PhD degree in forestry) as a Forestry Engineer. The Forestry Engineer is mandated to manage and develop the SBP management system and to take appropriate measures to improve the system, whenever needed; Forestry Engineer is also managing the SBE process. Furthermore, she is continuously supported by international expert having solid experience in SBP/SBE Prior to, and during this audit, BP was supported by this expert, who also provided training to applicable staff.

7.5 Stakeholder feedback

No feedback received from stakeholder regarding BP's SBR/SBE prior to, during, and after this audit. No proactive stakeholder consultations conducted by NEPCon during this period, as it is not required by SBP.

7.6 Preconditions

No preconditions.

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.

No changes in BP’s risk assessment since the previous audit.

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Specified	Specified
1.1.3	Low	Low
1.2.1	Specified	Specified
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Specified	Specified
2.1.2	Specified	Specified
2.1.3	Specified	Specified
2.2.1	Specified	Specified
2.2.2	Specified	Specified
2.2.3	Specified	Specified
2.2.4	Specified	Specified
2.2.5	Low	Low
2.2.6	Specified	Specified
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Specified	Specified
2.4.2	Specified	Specified
2.4.3	Low	Low
2.5.1	Specified	Specified
2.5.2	Low	Low
2.6.1	Specified	Specified
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Specified	Specified
2.9.1	Specified	Specified
2.9.2	Low	Low
2.10.1	Low	Low

2.3.1	Low	Low
2.3.2	Specified	Specified

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company’s mitigation measures

Mitigation measures taken by BP to address specified risks have the following development:

Step 1: Desk assessment

All plots for the SBE program are inspected prior harvesting by the forest engineer. Evaluation of risks and possible impacts of harvesting operations is done before the field visit by the forestry specialist. The results are registered in the Check List “Harvesting Plot assessment” in chapter “Desk Assessment of harvesting plot”.

Step 2: Field assessment before harvesting

The outcomes from the “Desk Assessment of harvesting plot” are checked on site by the forest engineer. Forest engineer assesses the future harvesting area for the presence of any HCV and other aspects related to specified risks, identified during the Supply Base Evaluation. After the assessments, the conclusions and recommendations for mitigation measures are provided in relevant chapter of Check List “Harvesting Plot assessment”.

Step 3: Communication of the plot assessment results to harvesting teams

The conclusions and recommendations provided by the forest engineer are communicated to the harvesting teams before harvesting. The suppliers are instructed if any kind of sustainability issues, including HCVs, were identified, or if there are potential threats to existing ecosystem from the harvesting operations.

If necessary, some marks are made in the field, for example, identifying the trees that need to be preserved or the buffer zones. If there is a proposal of changing a harvesting method, it is communicated to the forest owner and a decision is taken by him.

Step 4: Field assessment during harvesting

Forest engineer is visiting the harvesting plot at least once during harvesting. During the field visit, he assesses how the provided instructions and recommendations for implementing the mitigation measures are fulfilled by the harvesting team. Forest engineer fills in the checklist “Field assessment during harvesting”. Besides that, he verifies whether health and safety requirement are fulfilled by the harvesting team during forestry operations and during operations of loading and transportation of raw material. For checking this, forest engineer fills in relevant check lists: “Present safety situation at the plot” and “Present safety situation of loading and transporting raw material”.

Step 5: Results of the harvesting plot assessment.

The conclusion is taken after the fulfilment of steps 1-4, whether the wood coming from assesses plot can comply with all SBP requirements and all specified risks were successfully mitigated. If so, the wood coming from the plot can be obtained in SBP-compliant feedstock. If some mitigation measures were not possible to implement, for any reasons, or the harvesting operations and loading and transportation operations were not fulfilling the health and safety rules, the wood can be obtained as SBP-controlled wood.

Indicator	Description
1.1.2	<i>Feedstock can be traced back to the defined Supply Base.</i>

Mitigation measure

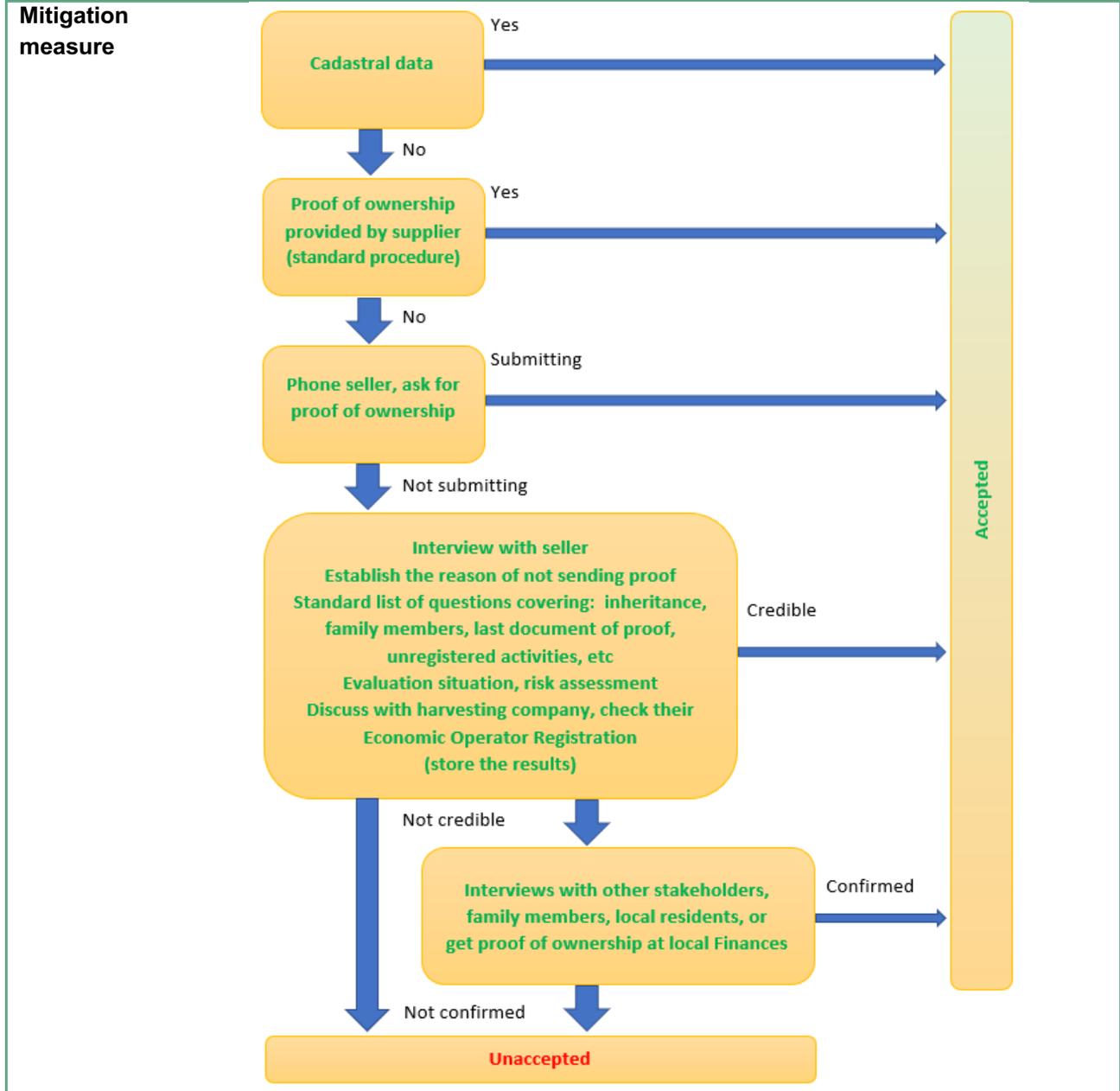
Reginacork selects areas within the Supply Base relevant for its SBE program, which are relatively convenient to assess, because of a clear management situation, for example the availability of management plans.

Reginacork does not buy any wood from wood suppliers without a valid company registration and delivery documentation indicating the place of harvest.

The Due Diligence System (within FSC certification) and the 'Procedure on the legality and origin of raw material' state appropriate control systems.

See also indicator 1.2.1 below.

1.2.1 *The Biomass Producer has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base*



	<p>Reginacork does not buy any wood from wood suppliers without a valid company registration, nor from wood lands, of which the owner rights are disputed. Any dispute discovered during interviews concerning the ownership of the feedstock needs to be solved first.</p> <p>Additional investigations are conducted by means of legal document research and extends to, for example, interviewing local stakeholders (owners of neighbouring wood lands) and local authorities, whenever:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cadastral data are unavailable; <input type="checkbox"/> The land will be impounded by the government; <input type="checkbox"/> There are complaints about the land owner, or the harvest operation. <p>In these cases, the internal procedure 'Procedure on the legality and origin of raw material' is activated.</p> <p>Additionally, all suppliers must have an 'Economic operator registration'.</p> <p>Reginacork only accepts feedstock which is of clear origin, as stated on the delivery documents. Please see more details in SBE Annex 1.</p>
<p>2.1.1</p>	<p><i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.</i></p>
<p>Mitigation measures</p>	<p>The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. All suppliers have to comply with the laws in force, which are supervised by the Tax Authority and the ICNF (Please see the file 'Plano Regional de Ordenamento Florestal' 'Documentation point 4 'cartografia síntese' (ICNF) for each region).</p> <p>Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity, or classified as priority species' habitats.</p> <p>Steps taken to guarantee the protection of HCVs:</p> <ul style="list-style-type: none"> • Study publicly available and other information regarding the plots where harvesting operations are planned and their surroundings; • Inform harvesting teams and feedstock suppliers on found results on possible risks; • Onsite assessment of the plots and their surroundings prior to harvesting, measures are taken when the possible risks related to the plot prove to be applicable; for example, when habitats are found; • Check possible local interests, future plans regarding the land, and the complaint management for wood suppliers; • Evaluation of the risks and possible impacts of harvesting operations; • Development of adaptations to the harvesting plans, if needed. <p>See more details in SBE Annex 1.</p>
<p>2.1.2</p>	<p><i>The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.</i></p>
<p>Mitigation measures</p>	<p><i>HCV 1 – Species diversity</i></p> <p>There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm species diversity. Species diversity is evaluated and recorded before harvesting operations commence. Caution and best practises are applied. Special attention is given to the</p>

	<p>National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity Areas (IBAs). See also below, indicator 2.2.4 HCV 3 – Ecosystems and habitats There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm ecosystems and habitats. Caution and best practises are applied. The forest engineer checks the environmental assessment and does field inspections for every FMU where the SBP compliant feedstock is sourced from, before the beginning of harvesting. The inspections are recorded. See also below, indicator 2.2.3 HCV 4 – Critical ecosystem services & HCV 5 – Community needs This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated for each region by the Regional Forestry Management Plan (PROF). This point is evaluated and recorded before the forest operations commence. Clear cuts are reduced to the maximum size indicated in the PROFs, or even further, if the environmental aspects, such as hillslopes, require special attention. There are no indigenous people in Portugal, but it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). Building fences around forests is most of the time undesirable. See below, indicators 2.2.2, 2.2.3, 2.2.6, 2.4.1 and 2.5.1 (and 2.6.1 as ‘safety net’).</p>
2.1.3	<i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.</i>
Mitigation measures	<p>Reginacork considers all pine stands as forests and eucalyptus and poplar stands as plantations. Reginacork checks if forests have been changed to (eucalyptus) or Poplar plantations after 2008.</p> <p>When a eucalyptus or and Poplar plantation is cut the history of the plantation is investigated. First the age of the plantation is determined. If could be form after Jan. 2008, the land owner and/or residents are questioned and the plot is searched for old tree stumps. The results are reported in the ‘Evaluation of the risks and possible impacts of harvesting operations’.</p> <p>Reginacork always demands its ‘Evaluation of the risks and possible impacts of harvesting operations’, which covers these points. The fulfilment of the evaluation is fixed in the Feedstock Supplier Declaration. Reginacork checks the evaluation of its suppliers and inspects harvesting plots.</p>
2.2.1	<i>The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.</i>
Mitigation measures	<p>There is a specified risk on this point, mainly in case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no FSC certification). Reginacork always makes an Evaluation of the risks and possible impacts of harvesting operations (EoR) and a field study of FMU. The field study evaluates:</p> <ol style="list-style-type: none"> The possible economical, ecological and social impact of the forest operations including its surroundings. Harvesting operations can be changed to avoid negative impacts. The quality of the management (by the land owner) prior to harvesting and regeneration plan. <p>Indicators 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2 include relevant management measures which are checked during the field study.</p>

	<p>Reginacork monitors the plots to be harvested intensively and checks the field study of its feedstock suppliers and the performed Risk Mitigation Measures (RMM).. Reginacork does not classify all feedstock coming from the ‘SBE approved suppliers’ as ‘SBP-compliant feedstock’. For example, if an estate has been poorly managed by a forest owner in the past, or does not comply with the SBE requirements on forest regeneration, Reginacork does not upgrade feedstock to ‘SBP-compliant feedstock’.</p>
2.2.2	<p><i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).</i></p>
Mitigation measures	<p>Before harvesting operations commence the plot is evaluated on this point and records are kept. Best forestry practises are applied. Maps can be obtained from ‘Reserva Ecológica Nacional’ (REN).</p> <p>Reginacork demands a field study from all feedstock suppliers. The Reginacork’s EoR and the field study of the supplier address the specified risk on soil degradation: best practices have to be applied (‘Best practices regarding harvesting operations’).</p> <ul style="list-style-type: none"> • Low intensity of forestry, selective cuttings and small clear cuts of maximally 5 ha. were needed considering the soil and groundwater level. • Regeneration focusses on tree species that maintain or improve soil quality • Leave nutrients in the forests, mainly the green fraction of forest residues (on the other hand other forest residues need to be cleared to prevent forest fires. • Do not operate near-water areas (called the National Ecological Reserve) <p>For example, on dry locations (elevated grounds or on slopes) selective cuttings are required, because the ground gets less direct impact of the sun and the forest and (natural) regeneration can maintain soil quality. On other locations (small) clear cuts can sometimes have the advantage that several kinds of broadleaved trees regenerate naturally, what improves soil quality. After clear cuts, the groundwater level can rise, what sometimes is an advantage.</p> <p>In order to improve soil protection from forest activities, the Reginacork checks if there is a RJAAR for each new plantation. Reginacork checks the field study of its suppliers.</p> <p>Poor soil quality can lead to erosion and other problems. Therefore, this indicator is related to indicator 2.2.6.</p>
2.2.3	<p><i>The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).</i></p>
Mitigation measures	<p>Reginacork prepares (publicly available) data on ecosystems and habitats (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats). The relevant information is given to all feedstock suppliers before they start to harvest in the field visit by the forest engineer supported by international consultant. Key ecosystems and habitats are indicated on the harvesting maps. Best practises are used to protect the high ecological values. The harvesting operations conserve these objects, mainly by not cutting the woodland or forest directly around them.</p> <p>Reginacork makes an Evaluation of the risks and possible impacts of harvesting operations (EoR) and checks the field study from every FMU’s. Reginacork monitors the harvesting operations of its feedstock suppliers (see also chapter 5 on ‘SBE program approved feedstock suppliers’).</p>
2.2.4	<p><i>The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).</i></p>

<p>Mitigation measures</p>	<ol style="list-style-type: none"> 1) Reginacork prepares (publicly available) data on biodiversity researches and programs, red lists of Portugal, CITES, etc (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats, HCV 1 – Species diversity). This information is given to all feedstock suppliers in the field visit by the forest engineer supported by international consultant. 2) Feedstock suppliers are informed to recognise the protected biodiversity values and how to conserve them. These species are often related (it can be indicator species) to key ecosystems which need conserved (previous indicator). 3) The forest engineer inspects visually the plot, make photos and report on the results. Endangered flora and fauna are indicated on the harvesting maps. 4) Best practises are used, to keep a buffer around conservation values. 5) Reginacork monitors the harvesting operations of its feedstock suppliers (see also chapter 5 on ‘SBE program approved feedstock suppliers’).
<p>2.2.6</p>	<p><i>The Biomass Producer has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).</i></p>
<p>Mitigation measures</p>	<ol style="list-style-type: none"> 1) Reginacork studies data (from publicly available information, researches and programs) for its harvesting teams on ground water, surface water and steams (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats, HCV 1 – Species diversity). This information is given to all feedstock suppliers. 2) Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water. 3) The harvesting teams inspect visually the plot and the hill slopes and streams in the surroundings and report on the results. Reginacork demands its field study from all feedstock suppliers. 4) Procedure ‘Best practices regarding harvesting operations’. Best practices include forest management measures that protect the plot against too high or low ground water levels, and erosion (surface water moving to quick or too slow). Related to a too quick runoff of surface water, streams in the surroundings are considered. The landscape where the harvest operations are executed is considered, including hill slopes and streams that can overflow. In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha. 5) Reginacork monitors the harvesting operations of its feedstock suppliers and checks the submitted field studies. These best practises are required to comply with the SBE program requirements. <p>The best practices as stated follow the ‘ICNF Handbook for forest best practices’: ‘In areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.</p>
<p>2.3.2</p>	<p><i>Adequate training is provided for all personnel, including employees and contractors (CPET S6d).</i></p>
<p>Mitigation measures</p>	<p>Reginacork trains its personnel on all relevant aspects and demands the same from its feedstock suppliers. This is not always covered sufficiently by legislation.</p> <p>During the feedstock supplier’s inspections of Reginacork, are checked: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits.</p>

	<p>Reginacork’s monitoring procedure includes checklists on feedstock suppliers and harvesting operations.</p>
2.4.1	<p><i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).</i></p>
Mitigation measures	<ol style="list-style-type: none"> 1) Feedstock suppliers are trained to recognise health, vitality and other services provided by forest ecosystems. 2) The harvesting teams inspect visually the plot and the surroundings and report on the results (make photos). Reginacork demands its field study from all feedstock suppliers, which addresses these environmental services. Best practises are used. Many of the relevant risks are addressed by other indicators (with specified risk), such as indicators 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2. 3) The possible impacts of the harvest operations on the forest and its surroundings are assessed (before the harvesting operations commence), not only in relation to the environment, but also in relation to the interests of the local population, farmers, and people interested in recreation. Reginacork underlines that these services can be of importance to the local population. Forests can be of importance to the environment around the forests, they can reduce the impact of extreme weather, and reduce the impact of air and ‘visual’ pollution, as well as noise. Forest services that need to be considered: <ol style="list-style-type: none"> a. Breaking hard winds and rainfall (regarding roads and houses); b. Recreation in and around the forests; c. Hunting, fishing and gathering of berries and mushrooms; d. Agriculture near the forests (this is of importance in Portugal). <p>Reginacork monitors the harvesting operations of its feedstock suppliers and checks the submitted Field Studies. It checks with stakeholders if there are any complaints (see also below 2.6.1).</p>
2.4.2	<p><i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).</i></p>
Mitigation measures	<ol style="list-style-type: none"> 1) Reginacork studies data (from publicly available information, researches and programs) for harvesting teams on risks and regulations regarding fires, pests and diseases. This information is given to all feedstock suppliers. 2) Feedstock suppliers are trained to recognise poor forest management and on mitigation measures. 3) The harvesting teams inspect visually the plot and make photos. Reginacork demands its field study from all feedstock suppliers, in which this point is addressed. Feedstock suppliers inspect if the plot was managed well on these points, if not, the feedstock is not considered compliant to the SBE program (will not become SBP-compliant feedstock). 4) Best practises are used by the harvesting teams regarding management of fires, pests and diseases. These include: <ol style="list-style-type: none"> a. Traps for NMP (Pine Wood Nematode (<i>Bursaphelenchus xylophilus</i>), and its vector the insect <i>Monochamus galloprovincialis</i>)

	<ul style="list-style-type: none"> b. Use of net (cover) during transport of wood in the period insect vector NMP c. Phytopharmaceutical application on the ground d. Crushing of the same wood with no lead time of 2, 3 days. wood with symptoms. e. Ensure that all suppliers have an economic operator registration. f. Reginacork only accept the raw material with the manifest. g. Cleaning of all utensils and machinery used in the handling of woody material. h. Application of good forest practices to avoid a spread of this pest. <p>5) Reginacork monitors the harvesting operations of its feedstock suppliers and checks the submitted field studies. Sufficient management by the forest owner, and best practises by the harvesting teams are required to comply with the SBE program requirements.</p>
<p>2.5.1</p>	<p><i>Legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest are identified, documented and respected (CPET S9).</i></p>
<p>Mitigation measures</p>	<ul style="list-style-type: none"> 1) Feedstock suppliers are trained to recognise possible issues with legal, customary and traditional tenure and use rights. 2) The harvesting teams inspect visually the plot, make photos and report on the results. Reginacork demands its field study from all feedstock suppliers. This aspect is addressed. If the land area to be harvested is fenced, moreover, if it has been fenced recently, the opinion of residents is assessed. Abuse of fences, blocked roads, and inadequate signs could make the feedstock non-compliant in the SBE program. 3) Reginacork monitors the harvesting operations of its feedstock suppliers and checks the assessment results of its suppliers. <p>By addressing sustainable forest management and making an extra effort on indicators 1.2.1, 2.4.1, and 2.6.1, Reginacork integrates respecting the interests of local people into its main procedures.</p> <p>There are no indigenous people in Portugal nor minorities dependant on forests for their livelihood. This specified risk doesn't include the licensed cattle parks or big game hunting areas.</p>
<p>2.6.1</p>	<p><i>Appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.</i></p>
<p>Mitigation measures</p>	<ul style="list-style-type: none"> 1) Reginacork actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before the harvesting operations commence (or not to buy from the disputed plots). 2) Reginacork makes clear to the local population that any complaint or comment related to feedstock supply is taken very seriously (via website and other communications). Reginacork takes seriously any complaint of any person or organisation considering harvesting operations. This also ensures sufficient performance on respecting local interests (HCV 5) and cultural values (HCV 6).

	<ol style="list-style-type: none"> 3) Reginacork has a complaint procedure and keep records. The feedstock suppliers are also (contractually) required to actively implement a complaint procedure and keep records. Reginacork demands its field study from all feedstock suppliers, in which the interests of local population are assessed. 4) Reginacork monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. It checks with relevant stakeholders, such as land owners, if no comments were submitted, or if the complaints were dealt with sufficiently. 5) The results of the inspections of Reginacork have direct influence on the 'SBE program approved' status of feedstock suppliers.
<p>2.8.1</p>	<p><i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).</i></p>
<p>Mitigation measures</p>	<p>Reginacork has a control system and adequate procedures on the health and safety of forest workers. Reginacork demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring inspections. Reginacork checks if the personnel is trained and if all safety measures are being respected during forest operations, including the use of PPEs, safety distances, work insurance and aptitude forms.</p> <p>During the feedstock supplier's inspections of Reginacork are checked: the training records, workforce, and the hiring of specialists in forest security. Protective equipment (according to the applicable law) and knowledge of personnel is inspected during site visits.</p> <p>In order to mitigate the risk in this indicator, the biomass producer should have proper means to control if workers have the proper training and if all safety measures are being respect during forest operations, including the use of PPEs, safety distances, work insurance and aptitude forms.</p> <p>Reginacork ensures:</p> <ul style="list-style-type: none"> • Accredited professional courses and/or specific certificates of training sessions. • Records of H&S procedures and Personal Protection Equipment distribution by the organization. <p>Record of machinery safety tools and equipments on original documental register.</p>
<p>2.9.1</p>	<p><i>Feedstock is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.</i></p>
<p>Mitigation measures</p>	<ol style="list-style-type: none"> 1) Reginacork studies data (from publicly available information, researches and programs) for its harvesting teams on aspects that can decrease the carbon stock. This information is given to all feedstock suppliers. 2) Feedstock suppliers are trained to recognise areas where carbon stocks have decreased or destroyed. 3) The harvesting teams inspect visually the plot and make photos on for example recent degradation of lands and indicates the future use of the land (conversion). Reginacork demands a field study from all feedstock suppliers, which includes this point. 4) Reginacork checks plots and the submitted Field Studies. <p>Forests owners can choose to start an orchard, governments can decide to extend the area of urban lands. This occurs regularly in Portugal. When forests are</p>

converted to other land use the carbon stock is lost. The conversion of forests to urban use is significant (28 thousand ha). In total, the forest area decreased by 150 611 ha, 85% of these forest lands were converted to 'weeds and pastures' (between 1995 and 2010, according to the ICNF).

One of the 5 principles of FSC Controlled Wood states that wood from converted land is not acceptable, in practise, however, this point is not evaluated by wood procuring companies, which normally consider all procurements from Portugal at least FSC CW. Extra monitoring is needed on this point. Reginacork does not buy wood from converted lands to be in line with principle 4 of FSC Controlled Wood. FSC CW is the minimal level of wood procurement at Reginacork.

10 Non-conformities and observations

NC number 01/19	NC Grading: Minor
Standard & Requirement:	SBP Standard #4: 5.4.1
Description of Non-conformance and Related Evidence:	
<p>The SBP claims use is written on BP procedures. However the implementation did not start very well, because the invoices issuing included some errors in the description: Invoice #274 FSC controlled wood /SBP controlled wood 3960,31 tons of pellets-04/06/2018, using wrong claim for SBP material and also wrong code for FSC controlled wood. NCR is minor because the transaction report was accepted in DTS Exhibit n°9 RGC invoices</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:	<p>Invoices issued to customers in the reporting period</p> <p>Updated SBP Procedure</p>
Findings for Evaluation of Evidence:	<p>Random verification of invoices issued in the reporting period to customers showed that SBP claims there were still specified in the wrong way.</p> <p>During the audit BP made updates in SBP Procedure. Section 13 includes the statement that “the SBP certification claim is not mentioned on the invoice and delivery note, it is only sent by DTS and recorded in the credit systems”. Relevant staff was informed about this requirement.</p> <p>NCR was closed during the audit.</p>
NC Status:	Closed

No NCRs raised during this audit.

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):	Ondrej Tarabus
Date of decision:	19/May/2020
Other comments:	N/A