Control Union Certification B.V. Evaluation of Enermontijo S.A. Compliance with the SBP Framework: Public Summary Report

Fourth 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

Document history

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

Table of Contents

1 Overview

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Certified Supply Base:	Portugal
SBP Certificate Code:	SBP-06-19
Date of certificate issue:	15/Nov/2016
Date of certificate expiry:	14/Nov/2021

This report relates to the Fourth Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope of evaluation: Surveillance evaluation to assess the CH's conformance to SBP 1, 2, 4, and 5 and respective Instruction Notes and Documents for use in wood pellet production, at Enermontijo´s production site in Pegões, Portugal, and the port facilities at Sines, Setúbal and Lisbons, Portugal, as well as evaluation of mitigation measures implemented for primary feedstock under the SBE (including inspection of primary feedstock suppliers).

Scope of certificate: The following SBP standards are applicable and form the scope of the evaluation and thus, the SBP certificate: Standard 1, Standard 2, Standard 4 and Standard 5. This certificate covers Production site in Pegões, Portugal. The Organisation holds an FSC® Chain of Custody certificate. Feedstock used in the biomass production originates from Portugal. A Supply Base Evaluation is included in the scope of the evaluation. The scope includes communication of Dynamic Batch Sustainability Data

SBP certificate: SBP-06-19

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification. The scope of this evaluation also covered the Supply Base Evaluation, and the mitigation measures describing herein.

The scope of the evaluation covered:

- Review of the BP's management procedures, including requirements designated in applicable SBP Standards and Instruction Documents;
- Review of the production processes, production site visit;
- Review of the updated Supply Base Report;
- Review of the risk assessment results;
- Review of SBP system control points, analysis of the existing FSC CoC system;
- Evaluation of mitigation measures implemented for primary feedstock (including inspection of primary feedstock suppliers);
- Review of the records, calculations and conversion factors;
- GHG data collection analysis
- Interviews with responsible staff;
- Review of the records

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 - No SBP endorsed Regional Risk Assessment was used for this assessment

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Enermontijo is a wood pellet production plant established in 2008. It has a production capacity of 80 thousand tons of wood pellets a year and in practise produces around 60 thousand tons a year. Nationally and regionally Enermontijo can be considered a medium to large wood pellet plant. However, in comparison to the pulp and paper plants in Portugal, it is merely a small stakeholder in the forest sector. Enermontijo supplies industrial wood pellets to power plants in the North-West of Europe, as also high-quality pellets to ever more European markets. The company acquires primary feedstock from one well-known supplier which sources regionally. It uses mainly small, low-quality tree stems from thinning activities. Thinning and pruning residues of umbrella pine (Pinus pinea) are the most used feedstock by Enermontijo and for this feedstock the company involves contractors to carry out the forest operations. A small portion of low-grade eucalyptus (co-product) is used as a feedstock which has too low quality to be used in the pulp and paper industries.Most of the feedstock used for pellet production came from forest maintenance operations in Portugal, mainly the following regions:

- Setúbal;
- Lisboa;
- Santarém;
- Évora;
- Beja;
- Portalegre.

Enermontijo uses mainly primary material from Portugal. Less than 10% of the feedstock consists of woodworking residues procured locally. This is sawdust from the small fraction of the sieved wood chips at pulp and paper plants (a residue that cannot be used by the pulp and paper industry in their production process). This local supplier sources a small amount of feedstock from Spain, as also a small fraction from two overseas countries. The imported volumes are eucalyptus species (not a CITES or IUCN list tree species). All wood processing residues are procured with an FSC certified claim. Enermontijo uses biomass to fuel the drying process of the feedstock. The biomass consists of the poorest-quality fraction of the procured primary feedstock. These volumes originate from the same locations and consist of the same tree species as mentioned above.

5.2 Description of Company's Supply Base

A quantitative description of the supply base can be found in the company's Supply Base Report, available at http://enermontijo.pt/

Enermontijo sources all primary feedstock from Continental Portugal; the supply base is described below.

Continental Portugal

Portugal is covered by 3,2 million ha of forests, corresponding to 35,4% of the country's land mass, followed by soil considered uncultivated (32%) and farmland (24%). Over the period 1995 – 2010 the forest decreased 4,6%. The net decrease of forest areas (150 611 ha) is mainly due to conversion to 'brush and pastures'. In addition, significant areas of forests were converted to urban use (28 000 ha).

In Continental Portugal, private property from private owners (89%) and community (Baldios, 8%) correspond to 3,1 million ha of forests (97% of total forest land), including 5,7% property of industry companies. Public areas are up to 3% (around 94 thousand ha). The forest area under communitarian management (Baldios) are subject to old customary and traditional rights and regulated by specific laws.

Portugal has approximately 10 million inhabitants, there are no indigenous peoples or minorities groups relying on the forests for their livelihood.

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

1. 97% of the forest is in private ownership. More than half of the forests are very small parcels of only one or a few ha (mainly in the northern and central regions). Regional forest management plans do not apply to small wood lands;
2. Many private owners are not involved in their property and can be living far away. Lacking cadastral data (only 53% of the land), and discrepancies of registered and actual ownership rights;
3. Forest cover has increased from under 2,0 million to 3,2 million ha over the last 100 years and is dominated by introduced species.
4. Various regions with different forest tree species and silvicultural systems; specific forestry legislation directed towards regional development strategies.

The above points create risks to ecological and social aspects of sustainable forestry. However, a general legal and institutional basis in forestry is in place and biomass producers are able to effectively implement mitigation measures.

According to a prospective study for the Forest Sector (AIFF, 2013), the size of the stands is a key factor, with significant impact on the profitability and sustainability of the activity. In the north and center of Portugal approximately 54% of the forest area spreads over stands of less than 10 ha.

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.

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.

A felling manifest is required for commercial felling (including thinning) of all tree species for industrial purposes, with a 30-day deadline after the operation is concluded. The felling phytosanitary manifest includes identification of the origin of the felling. Also, documentation for transportation identifies the origin of the transport which increases traceability of direct transports. This are the most common ways to trace back to origin.

Portuguese forests are 73% deciduous, and 27% coniferous. Regarding tree species, the most relevant are (ICNF, 2019):

1. Eucalyptus (*Eucalyptus globulus and other spp.*), 24% of forest area, 652 thousand ha.
   Originally from Tasmania, eucalyptus became one of the most planted trees in Portugal. Since the 1980's there is great controversy about the negative effects of these trees on soil fertility, water scarcity, and biodiversity, which in 1988 and '89 resulted in the implementation of a few laws that restricts the increase of monoculture plantation of this species. In 2017 a law was enforced that forbids the conversion of forests to eucalyptus stands.
2. Maritime pine (*Pinus pinaster*), 18% of forest area, 492 thousand ha.
   This species was chosen in the large 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;
3. The cork oak (*Quercus suber*), 26% of forest area, 701 thousand ha.
   This is an evergreen indigenous species, typical of Mediterranean climate forests. Their presence can be found throughout the country. The cork oak is often seen as the 'national tree' of Portugal. Portugal is the leading producer and exporter of cork.
4. Holm oak (*Quercus rotundifolia*), 13% of forest area, 340 thousand ha.
   An evergreen tree of large size. It can be found throuout the Mediteranian climate. It can grow at any type of terrain except of those with poor drenage and or saline nature, but prefers fertile soil, deep and of loamy nature. The wood is well suitable for charcoal and firewood production.
5. Umbrella pine (*Pinus pinea*), 7% of forest area, 187 thousand ha.
   Stone pine is mainly used to produce pine nuts. The residues from thinning and pruning are used for pellet production. Stone pine can mainly be found in the south.

Enermontijo uses mainly the thinning and pruning residues of maintaining typical types of wood lands for the south and centre of Portugal:

- Eucalyptus plantations
  Eucalyptus plantations for the production of raw material for pulp and paper is highly developed and standardized. Eucalyptus plantation begins with the preparation of the ground, which can consist of removing the stumps followed by site preparations (disking, ripping, sub-soiling) and adding organic fertilisers. Planting is done in densities ranging between 1 100 to 1 300 plants per hectare followed by fertilization. Between the second and the sixth year a second fertilization is normally done, and measures are taken against competing vegetation. Priority is given to conducting coppice (up to 3 rotations), selecting shoots after each cut. A selection of tree shoots is made two or three years after cutting, reducing the number of trees to the initial density of planting. In most cases, the final clear cut is made after 10 to 15 years, but can be done earlier on sites with high growth rates.
- Umbrella pine silviculture
  In Umbrella Pine silviculture, the intertree distance at planting depends on the future purpose of the stand: production of wood or cones (pine nuts). For the production of wood intertree distances of 4x3 m. are used to promote natural pruning. In stands oriented to cone production the most commonly used intrertree distance is 5x5 m, but also 6x5, 6x6 and 8x6 m. are used. In case of natural regeneration, there is a high number of plants per hectare and a selection of the best ones must be done promptly. Stand tending is done through pruning and thinning and produces a considerable amount of residues. The first pruning should be done between 5 to 6 years after planting. The second pruning should occur between 10 to 12 years. This pruning often coincides with the first thinning. The third pruning is between 20 to 25 years, coinciding with the second thinning. The final cut is usually done after 40 years.

- Maritime pine silviculture
  Criteria defining plant density per hectare are the quality of the soil and the area to be reforested. The density usually ranges from 1200 to 1500 plants / ha. That is, the distance between the pines in the line can be between 1,5 and 2 m with a line spacing ranging from 4-4,5 meters. The thinning is done between 15-20 years old, then every 5 to 10 years: in the age of 25-30 years and 35-40 years. Final cut is done in the age of 40-45 years old, when 300-500 trees ate taken from the stand.
- Poplar
  In Portugal, poplar is currently cultivated on a small scale. This species is found in a mixture with other cultivated species. In this way a very littler percentage is harvested together with other species.
- Acacia
  Acacia is an invasive species in Portugal, appearing in pure or mixed formations, and it is not permitted to plant and cultivate. However, harvesting is allowed.

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 Nº.155/2004) and European holly (*Ilex aquifolium*; protected by Law Nº. 423/89).

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

Climate change, the occurrence of extreme meteorological events, in combination with large areas of insufficiently managed forests (especially eucalyptus forests) has increased the phenomenon of devastating forest fires. Portugal accounts for the largest and the most forest fires in Europe. 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 since 1999.

The different ecological conditions regarding the north and the south of Portugal are well reflected in both figure 3: Tree species distribution, and figure 6: Aridity index.
Forests and forestry products are an area of crucial importance to the economy of Portugal. The main products are paper and cardboard, pulp, cork, wood and resin products, and furniture. The forest sector has a significant impact on GDP. Forest products represent almost 10% of national exports and 2% of the Gross Value Added. Forests are the basis of an economic sector that generates around 100 000 direct jobs (4% of the active population). The pulp and paper and the board sectors use mainly eucalyptus. Softwood saw logs are mainly produced from maritime pine. In the south umbrella pine takes a leading role in the forestry economy, its main product is pine seeds for consumption.

Secondary Feedstock (procured locally with FSC certified claim)

Enermontijo procures secondary feedstock from one supplier having 2 local pulp mills - the residue from sieving eucalyptus wood chips. All wood processing residues are procured with an FSC certified claim (out of scope of the Supply Base Evaluation).

Most secondary feedstock originates from Continental Portugal; a description of this supply base is given above. A very small percentage of secondary feedstock is originating from Spain, Brazil, Uruguay. The descriptions on these supply bases are given below as well.

Spain (0,56% of feedstock supply)

There are 27,67 million hectares of forest land in Spain, which represent 55,6% of the total area. Of this area, 18,27 million hectares are considered forested areas and 9,4 million are treeless forest areas. Approximately 90% of the 18,27 million hectares of forest land are considered semi-natural forests. Also, 1,54 million hectares of plantations of the total forested area are registered, of which 583,483 hectares are mainly covered of Eucalyptus spp. (FSC-NRA-ES V1-1).

Between 1970 and 2010 Spain's forest area increased by about 6,48 million ha. Between 1990 and 2010, growth was 4,4 million ha. With an average rate of 210 000 ha per year, Spain the fastest growing forest area in Europe.

As of December 2016, there were 255,944 ha of FSC-certified forests in Spain (30 FSC Forest Management certificates and 842 FSC chain of custody (COC) certificates). In 2017, there were 1 830 546 ha certified under PEFC (16 076 PEFC Forest Management certificates, and 1 115 PEFC CoC certificates).

According to the National Forest Inventories, over 80% of forests in Spain are composed of two or more tree species. The largest formation is made of holm oaks (which represents 15,3% of the tree covered area), followed by pastures and pine stands.

Average annual logging volume between the years 2000 and 2010 was 15,3 million cubic meters of barked wood, of which approximately 60% was coniferous and 40% deciduous. These logging rates account for a mere 1,5% of stock and 32% of the annual increment. In 2010, annual wood consumption was 27,7 million cubic meters. The main timber producing species are eucalyptus, maritime pine, radiata pine, scotch pine, and poplars.

There are four main categories of forest types:

- The Mediterranean broadleaved forests (in the south-central region);
- The Mediterranean conifer forests (also in the south-central region);
- The Atlantic forests, a group of mixed formations of beech, oak, chestnut, birch, etc;
- Plantations of mainly introduced tree species.

The Mediterranean nature that characterizes most of the country brings with it a great variety of forest ecosystems and an extraordinary wealth of flora, which means that Spanish forests have high biodiversity levels. The extraction of non-wood products is significant. The most significant products in economic terms are cork, fruit, biomass production for energy purposes, resins, grazing pastures, mushrooms, hunting and different plants.

The public administration of forests and forestry is divided among different jurisdictional levels in Spain:

- State General Administration;
- Autonomous Communities (AC) of which there are 17 covering all Spanish territory; and

- Local public bodies within each Autonomous Community.

Spanish forestlands are distributed between:

- Privately owned lands (70,9%);
- Local administrations (22,9%);
- The central and regional governments (6,2%).

Over two-thirds of the forests are private property, less than one third are under public ownership, and only a small proportion is owned by the state. Most public land is owned by local public corporations. Forest management is also shared among the different jurisdictional levels; there are State laws which include general regulations but most responsibility for the management of public forests falls at the level of the Autonomous Community. Wood harvesting is regulated by the Autonomous Community's forest agency. There are specific areas legislated mostly by the state (e.g. land tenure, tax payment, transports) but others for which each Autonomous Community have developed their own legislation, the content and provisions of which differs from one community to another (as with management and harvesting planning).

The size of forest lands depending on their ownership does not reflect great differences between those that belong to the State and those that belong to other public entities, with an average of 500 and 600 ha respectively, but there is a significant difference with privately owned forestlands, whose mean surface area scarcely covers 3 ha, clear indication of the extent of smallholdings still existing in the private forest sector (Spanish Forest Strategy).

The Spanish Forest Law (Law 43/2003) forms the legislative basis for forest management. Most Autonomous Communities have their own laws ('Ley de Montes') regulating the protection, management and harvesting of forests in their territory. Article 33 establishes the need for both public and private forests to have a Forest Management Plan, and a working scheme or other equivalent Management Instrument. These documents will be elaborated by the owner/title holder and must always be approved by the regional forestry organization. Multiple laws in each Autonomous Community regulate forestry and harvesting and the specific technical forest operating constraints

Any organisation that wishes to become certified in Spain must have a forest management plan with defined management goals, techniques and actions. Next to FSC, Spain has a PEFC Endorsed Forest Certification System, based on the national sustainable forest management regulation 'UNE 162 000'.

As stated in the Forest Act, forest management plans are obligatory for all public and private forests, except those that do not meet the minimum area each Autonomous Community determines.
The wood and furniture sectors are of significance to Spain's national economy, because of the large number of companies in represents (a total of 29 555), of which 16 160 companies are manufacturing furniture and 13 395 other wood-based products. The sector is also significant because of the employment it generates, with 147 000 employees, of which 85 200 correspond to the furniture sector (PEFC, 2017).

Uruguay (0,69% of feedstock supply)

Uruguay is located in the south-eastern part of South of America. Its total area is 18,4 million hectares. The country has approximately 500 km of coastline. Most of its territory is consists of plains.

There is excellent fresh water availability. The country has a vast network of rivers and streams. Grassland is the main ecosystem, used mainly for extensive cattle raising. The climate is temperate with a mean of low and high temperatures of 6°C and 32ºC respectively.

Grassland, native forests, and wetlands are the three typical ecosystems of the country. Natural forests in Uruguay mainly grow near rivers in the countryside. The native forests are composed of more than 500 native species, including palms. The most abundant are 'sauce criollo' (*Salix humboldtiana*), 'sarandí colorado' (*Cephalanthus glabratus*), 'sarandí blanco' (*Phyllanthus sellowianus*) and 'mataojos' (*Pouteria salicifolia*).

The country has 3,5 million hectares of soils suitable for forestry. This area is divided in forestry priority regions, according to soil fertility characteristics. There are 800 thousand hectares of eucalypts and pines plantations (70 and 30 per cent respectively). Native forest area accounts more than 750 thousand hectares that remain protected, with only limited harvest allowed. Over 955 thousand hectares are FSC certified.

The dominant species is eucalyptus, even for lumber production. Intensive management, including pruning and thinning is used, with long rotations (20 years for eucalyptus species and 25 for pine species) finishing with a stock of about 200 to 250 trees per hectare, producing knot free lumber.

Pulpwood species were initially led by *Eucalyptus globulus,* which now still dominates in the south and east of Uruguay. However, *Eucalyptus grandis* and *Eucalyptus dunii* plantations are gaining ground quickly. Plantations are mainly established on privately owned properties.

The country has a stable legal environment conducive to investment in the sector and a national code of good forestry practices for achieving sustainable production, fulfilling the requirements of international demand. The development of the forestry sector in Uruguay started with a design of sustainable management.

The main issues regarding forest sustainability in Uruguay are:

- The introduced non-indigenous tree species are, in some areas, in competition with the native species. New plantations may fragmentise native landscapes and affect genetic diversity;
- Large quantities of pesticides and herbicides are used to protect the plantations from pests and weeds;
- When the plantations are harvested, the land becomes bare, and the risk for forest fires increases.

The forestry sector's contribution to the country's gross domestic product (GDP) doubled from 1,9% to 3,7% between 2006 and 2014. This growth was realised by the processing industry, producing sawn wood, wood pulp, and paper.

The forest sector is developing, and small and medium service providers are providing trainings to forest workers in low populated areas. This has an important social impact. The forestry industry generates one job for every 30 to 35 hectares and the sector creates a large number of jobs indirectly.

Brazil (0,21% of feedstock supply)

Brazil has 524 million ha of forests. In 2014, the area of planted wood lands for industrial purposes equalled 7,74 million ha. Eucalyptus plantations occupy 5,56 million ha; they are located mainly in the provinces of Minas Gerais, São Paulo and Mato Grosso do Sul. In 2018, 6,66 million ha were FSC certified and 3,59 million ha are PEFC certified.

The importance of wood plantations for the Brazilian GDP has grown every year. In 2014 it represented 1,1% of the wealth generated in the country and 5,5% of industrial GDP.

In Brazil, forest plantations and the harvest of planted trees, including eucalyptus, is permitted, however, limitations in environmental terms must be respected (buffer strips along river system, on slopes, etc.); it is legality prohibited to convert natural forests to plantations. The harvesting operations are subject to supervision by the authorities. In Brazil, in reforestation projects of industrial size, including the use of species like eucalyptus, a pre-environmental impact study is mandatory.

5.3 Detailed description of Supply Base

A quantitative description of the supply base can be found in the company's Supply Base Report.

Sub-scope 1 'Primary Feedstock' *(considered in the SBE)*

Continental Portugal

a. Total Supply Base area (ha): 3,2 million ha forest lands
b. Tenure by type (ha): Private: 3,1 million ha (97%, including 8% community managed)
Public: 0,1 million ha (3%)
c. Forest by type (ha): Temperate Forest: 3,2 million ha
d. Forest by management type (ha): Plantations: 1,8 million ha;
Managed natural: 1,4 million ha
e. Certified forest by scheme (ha): FSC: 434 thousand ha (2019)
PEFC 277 thousand ha (2019)

Sub-scope 2 'Secondary Feedstock' *(not considered in the SBE)*
5,3% of all feedstock used for pellet production was secondary feedstock (reference period June 2019 to May 2020). 3,8% originated from Portugal (see supply base data above).

Spain (0,58% of feedstock supply)

a. Total Supply Base area (ha): 27,7 million ha forest lands officially
b. Tenure by type (ha): Private: 19,6 million ha forest lands (71%)
Public: 8,1 million ha forest lands (29%)
c. Forest by type (ha): Temperate Forest: 27,7 million ha forest lands
d. Forest by management type (ha): Managed natural: 15,5 million ha
Plantations: 1,8 million ha;
e. Certified forest by scheme (ha): FSC: 301 thousand ha (2019)
PEFC: 1,9 million ha (2019)

Uruguay (0,69% of feedstock supply)

a. Total Supply Base area (ha): 1,84 million ha forested lands
b. Tenure by type (ha): Private: 1,82 million ha forest lands (99%)
Public: 0,02 million ha forest lands (1%)
c. Forest by type (ha): Temperate Forest: 1,84 million ha forest lands
d. Forest by management type (ha): Managed natural: 0,75 million ha
Plantations: 0,80 million ha;
e. Certified forest by scheme (ha): FSC: 989 thousand ha (2019)
PEFC: 646 thousand ha (2018)

Brazil (0,21% feedstock supply)

a. Total Supply Base area (ha): 493,5 million ha forest area
b. Tenure by type (ha): Private: 101,7 million ha forest land (20,6 %)
Public: 305,0 million ha forest land (61,8 %)
Unknown: 86,8 million ha forest land (17,6%)
c. Forest by type (ha): Temperate Forest: 103,6 million ha forest area (21%)
Tropical Forest: 289,9 million ha forest area (79%)
d. Forest by management type (ha): Natural: 485,8 million ha
Plantations: 7,7 million ha
e. Certified forest by scheme (ha): FSC: 7,1 million ha (2019)
PEFC: 3,8 million ha (2018)

Feedstock

f. Total volume of Feedstock: **102 568,890 tonnes (100%)**

g. Volume of primary Feedstock: **97 139,870 tonnes (95%)**

h. Percentage of primary feedstock categories:
- Certified to an SBP-approved Forest Management Schemes: **0% (0,000 tonnes)**
- Not certified to an SBP-approved Forest Management Schemes: **100% (97 139,870 tonnes)**

i. List all species in primary feedstock, including scientific name:
- Eucalyptus (*Eucalyptus spp*.);
- Maritime pine (*Pinus pinaster*);
- Umbrella pine (*Pinus pinea*);
- Poplar (*Populus spp.*);
- Acacia (Acacia spp.).

j. Volume of primary feedstock from primary forest: **None**

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

l. Volume of secondary feedstock: **5 429,020 tonnes (5%) Other wood industry residues.**

m. Volume of tertiary feedstock: **None**

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody certificate. Valid FSC system description and other documents exist. Critical control points of the FSC CoC system were evaluated also during SBP audit. The Organisation has implemented FSC credit system. FSC Credit system is used for materials received as FSC certified, FSC Controlled wood and feedstock verified according to the Organisation's own Controlled wood verification system, covering Portugal. Feedstock whos origin cannot be verified as per the established Due Diligence system, will be considered as Non-Controlled and will not be included in the production of certified products nor supplied SBP controlled. Supplier list is maintained. After the reception, incoming feedstock is

unloaded into piles according to type of feedstock and load is registered into the recordkeeping system. All input material is weighted and recorded in tonnes. For the credit account purposed the volume of feedstock is recalculated by using the conversion factor of the production, FSC credit account is updated once a month: data about received raw materials by FSC certification status and volume of sold pellets are recorded. In case of the FSC and/or SBP sales, the volume of sold pellets is withdrawn from the credit account. Based on the credit account management the proportion of the SBP-compliant and SBP-controlled biomass is calculated and all records are kept.

6 Evaluation process

6.1 Timing of evaluation activities

This fourth surveillance audit was carried out during 12-13 of August and 21-22 of September, 2020. The first part of this evaluation was conducted at the office with a visit to the port of Setubal, while the second part included on-site visits of the pellet production in Pegões, Portugal, and field inspection of two forest properties where currently the feedstock is sourced from.

A Total of 4 days were used for this audit, please see more details in the table below.

This report is the result of the findings of a certification evaluation carried out by an independent lead auditor representing Control Union Certifications. The purpose of the assessment was to evaluate the compliance of the client with respect to the standards used within the scope of the certificate.

Activity	Site	Date/Time
		Wednesday 12-08-2020
Opening meeting	Enermontijo Auditor: Lennart Holm LH	09:00-09:15
Chain of Custody registrations	LH	09:15-12:30
Lunch break		12:30-13:30
Output claims	LH	13:30-16:45
Incoming material claims	LH	16:45-17:00
Incoming raw material registration	LH	17:00-17:45
Final discussion / days closing meeting		17:45-18:00
		Thursday 13-08-2020
Day's Opening meeting	Enermontijo Auditor:	09:00-09:15

	LH	
Supply Base report		09:15-10:45
GHG data registrations		10:45-12:30
Lunch break		12:30-13:30
GHG data registrations		13:30-16:45
Visit at port of Setúbal	Setúbal	16:45-17:45
Final discussion / days closing meeting		17:45-18:00
		Monday 21-09-2020
Day's Opening meeting	Enermontijo Auditor: Luis Vaz Freire LVF	09:00-09:15
Supply Base Evaluation	LVF	09:15-10:30
Field verification of SBE	Herdade Texugueira Norte. Herdade do Montalvo	09:15-17:45
Final discussion / days closing meeting		17:45-18:00
		Tuesday 22-09-2020
Day's Opening meeting	Enermontijo Auditor: Luis Vaz Freire LVF	09:00-09:15
Tour of the facility:		09:15-10:45

- Receiving of materials - Wood Yard - Equipment used		
Review of missing items		10:45-12:30
Closing Meeting		12:30-13:00

6.2 Description of evaluation activities

Due to the COVID-19 pandemic, this audit was split in two parts, as no external visitors were allowed during the first part of the audit.
The first part of the audit, August 12-13, 2020, consisted of an opening meeting, during which the scope was confirmed. The auditor also explained the methods to be employed during the audit. During the audit, all relevant requirements of the applicable SBP standard(s) were verified on compliance through the use of a report template and checklists, as well as linterviews with the below mention individuals were made.
At the end of the second day, a visit to the port of Setubal was made, to inspect the storage facility and handling procedures.

The second part of the audit, September 21 and 22, consisted of audits of individual suppliers and a tour of the facility. First, a sampling of the suppliers took place. Control Union was evaluating how BP staff is doing audits for the suppliers and evaluating their compliance with the SBP standards and how risk from the risk assessment is implemented on the ground. Implementation of sampling for inspection of the feedstock suppliers included into Supply Base Evaluation:
The audit was completed by filling in the audit checklist and discussing the audit results. During this closing meeting it was also discussed how evidence can be submitted of corrective action with respect to non-conformities that were identified during the audit.

• **Names and affiliations of people interviewed**	
Name:	Affiliation:
Joana Carvalho	Enermontijo
Cátia Alexandra	Enermontijo
Cátia Baila	Enermontijo
Horácio Rosa	Enermontijo
João Rocha Páris	Enermontijo
Paulo Neves	Porto de Setubal
Claudia Filipe	Biopower
Nelson Basílio	Biopower
Luis Emefenliano	Biopower
Joaquim Ferreira	Biopower
Carlos Reis	Biopower
Jorge Santos	Biopower
Paulo Boleto	Madetejo

• **Critical control points, summary**	
Identified CCP	*Evaluation CCP*
Health and Safety Obligation (management of dust)	Risk assessment requires workers to wear a mask during tasks where lost of dust is present. Verified during on-site visit that workers wore masks.
Reception and storage	Reception and storage of material based on credit control system.
Biomass production	Enermontijo provided CU with an annual overview of the quantity of biomass handled at the different storage, handling and trans-shipment locations within the scope of its certification. This overview include data on biomass inputs and outputs, and was evidenced verbally and with production spreadsheets and engineering examples.
Labelling	Trade Mark Licence Agreement of 30-10-2015 signed by João Rocha Páris, Administrator. No use of trademarks
Outputs	The end users SBP code is entered into DTS for each sale.

6.3 Process for consultation with stakeholders

Fourth Surveillance Audit. Therefore, there was no consultation with stakeholders. No comments received from stakeholder prior, during and after this annual audit.

7 Results

7.1 Main strengths and weaknesses

The audit of Enermontijo demonstrated a good level of compliance with the required criteria of Standard 1, 2, 4 and 5. There was reasonable evidence provided to support compliance where a Non-Conformity was not detected.

The Non-Conformities presented in this report identify actions that must be taken in order to comply with the SBP system and its standards. The existence of a FSC Chain of Custody system is considered a main strength with respect to Enermontijos overall conformity with the relevant SBP standards. Weaknesses: Very small amount of certified material. Non conformities identified in this audit.

7.2 Rigour of Supply Base Evaluation

Enermontijo embarked on the development of a detailed Supply Base Evaluation which includes a clear description of their Supply Base Area. The geographical scope of the SBE is Continental Portugal. The SBE was developed in joint efforts between internal personnel and a qualified consultant, using credible data sources. Enermontijo´s management and monitoring systems are designed to ensure compliance with applicable laws and regulations. Risk was designated low for all core Indicators, with the exception of 14 Indicators which were designated as specified risk. Enermontijo has developed additional controls and mitigation measures to manage these risks. After the risk assessment was completed, mitigation measures were proposed and consulted with stakeholders. The stakeholder consultation process involved consultations to key stakeholders with regard to information on SBP certification, SBP risk assessment and supply base report, by communicating this via electronic email. Enermontijo has implemented the mitigation measures for the specified risk indicators as initially proposed. The risk mitigation measures have been designed and implemented planned in cooperation with acknowledged experts and external consultants in relevant fields.

7.3 Collection and Communication of Data

Enermontijo do have in depth procedures for this and have supplied actual data on Greenhouse Gas emissions, except for forest operations; including planting, harvesting, use of pesticides and fertilizers. For the in-forest use of chemicals, operational data is not recorded because is not primary feedstock from woody energy crops.

7.4 Competency of involved personnel

Internal staff members are involved in the SBP system management and implementation. All interviewed responsible staff demonstrated awareness of their responsibilities within SBP system. The key responsible person for developing the SBE system were two external consultants with experience is producing SBP systems and carries a PhD as well as a MSc in a relevant field. All involved personnel, including responsible staff at suppliers and sub-suppliers have demonstrated good knowledge in relevant fields (recognition and identification of HCVF, familiarity with health and safety requirements, timber origin verification) during the site visits. Relevant certificates and diplomas were presented during the assessment and scope change

audits. Qualification requirements for personnel involved in the SBE system are provided in documented procedures of the BP. In overall, auditors evaluate the competency of main responsible staff to be sufficient for implementing he SBP system with both primary and secondary material sourced within the SBE. This has been based on interviews, review of qualification documents, training records and set of procedures and documents that were composed for the SBP system as well as field observations during the assessment and audits.

7.5 Stakeholder feedback

No feedback received from stakeholders prior, during and after this annual audit.

7.6 Preconditions

None

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.

Control Union assessed the risk for each Indicator using the guidance in Section 11 of SBP Framework Standard 2: Verification of SBP-compliant Feedstock.

The risk assessment has been performed with the use of a technical expert. Determining the risk rating the likely impact of a non-compliance together with the probability of that noncompliance arising was used. and evaluated risk at both regional and the individual forest.

1.1.2 and 1.4.1: These indicators are low risk; nevertheless, verification of the origin and legality of the feedstock is part of the standard procedures of Enermontijo.

2.1.1 and 2.1.3: HCV 1 and 3 are specified risk; HCV 2, 4, 5 and 6 are low risk. Usual social and cultural aspects regarding Sustainable Forest Management are considered during the evaluation of best practises.

2.4.1: The possible impacts of the harvest operations on the forest and its surroundings are assessed in front (also in relation to the interests of the local population, farmers, and people interested in recreation).

2.4.2: Specified risk regarding the forest fire fighting aspect; low risk on pests and diseases.

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	Low	Low
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

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Specified	Specified
2.4.3	Low	Low
2.5.1	Low	Low
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

2.2.2	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
2.3.1	Low	Low
2.3.2	Specified	Specified

2.8.1	Specified	Specified
2.9.1	Specified	Specified
2.9.2	Low	Low
2.10.1	Low	Low

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

The mitigation measures per indicator are given in the table below.

Subsequently, information is given on the management system, implementing the mitigation measures regarding the sustainability indicators.

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*
Mitigation measures	Enermontijo does not buy wood from wood suppliers without a valid company registration, nor from wood lands, of which the owner rights are disputed. Any dispute concerning the ownership of the wood needs to be solved first. The precise location of the forest plot is determined. Delivery documents for every cargo have to state the origin. Suppliers declare to alert Enermontijo, if they change the source of the feedstock. Enermontijo has a supplier approval procedure. When starting business relationship with the owner or a wood supplier, Enermontijo investigates if cadastre data are available and if not, 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: • Cadastral data are unavailable; • The land will be impounded by the government; • There are complaints about the land owner, or the harvest operation. If Cadastral data are unavailable, or the land will be impounded by the government, or if there are complaints about the land owner, or the harvest operation, these mitigation measures are executed: • Identification of the plot / area; • Identification of the owner; • Proof of the relationship between the seller and the land in question; • Formalization of the business through a purchase and sale agreement; • Mapping; • Invoice and bank payment; • Check ownership of bank account; • Description Land registry or Caderneta Predial Rustica is demanded. In addition to the information collected, during a site visit is information is taken about: • Type of vegetation and species; • Ground boundaries; • Accesses routes. The Due Diligence system and the procedures which include legality and feedstock origin state appropriate control systems. See also indicator 2.6.1.

2.1.1 HCV 1 & 3	*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.* *HCV 1 – Species diversity* *HCV 3 – Ecosystems and habitats*
Mitigation measures	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. Habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports. HCV 1 – Species diversity 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 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. In these situations, Enermontijo demands to evaluate the environmental impacts (on Ecosystems and habitats) of the forest operations before the forest operations commence. Caution and best practises are applied. See also below, indicator 2.2.3 Enermontijo (contractually) ensures: • mapping of the harvesting plot; • harvesting according to best practices in sustainable forest management; • cleaning of waste from plantations • tree species (no genetically modified trees) Steps taken: • Study publicly available sources (internet sites) and other information regarding the plots were harvesting operations are planned and their surroundings; • Inform feedstock suppliers on found results regarding possible risks in front; • Onsite assessment of the plots and their surroundings prior to harvesting, measures are taken for example, when habitats are found; • Development of adaptions to the harvesting plans, if needed; • Enermontijo inspects the forest operations at the harvesting areas.
2.1.2 HCV 1 & 3	*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.* *HCV 1 – Species diversity* *HCV 3 – Ecosystems and habitats*
Mitigation measures	Steps taken: • Assessment, evaluation and 'SBE approval' of suppliers • Desk Assessment of possible impacts of harvesting operations, regarding Publicly available information from credible third parties; • Training of suppliers on identification of forests with HCVs, and methods to protect HCVs; • Identification and mapping of protected species, habitats and key ecosystems on the plot before harvesting;

	• Development of adaptions to the harvesting plans, if needed; • Harvesting according to best practices in sustainable forest management; • Enermontijo keeps records of field inspections and continuously evaluates the results of the feedstock suppliers.
2.1.3	*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.*
Mitigation measures	When a eucalyptus or poplar plantation is cut the history of the plantation is investigated: • The year of conversion to plantation (if it was converted after 2008). If needed, interviews with stakeholders and residents are taken and the plot is searched for tree stumps. • Was it a forest before being converted to plantation? • Will a plantation be established here after current operations? If land use change (conversion) is planned the feedstock cannot be accepted as SBP compliant. This is dealt with in the Feedstock Supplier Declaration and addressed in the field operations checklist.
2.2.1	*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.*
Mitigation measures	In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification), or a plan is available but does not apply to a small holder, an additional assessment of environmental impacts is made and recorded before harvest. Special attention is given to plots smaller than the minimum threshold for the mandatory Forest Management Plan (PGF) and outside the SNAC. Before harvesting operations commence, the plot is visited and evaluated: • The possible economical, ecological and social impact of the forest operations, including its surroundings. Harvesting plans can be changed to avoid negative impacts; • The quality of the management (by the land owner) prior to harvesting and regeneration plan; • Specific Plans for Forest Intervention (PEIF) are studied for specific measures for the intervention on forest areas with major biotic problems (e.g.: invasive species, plagues or diseases) or abiotic (e.g.: high risk of forest fire); • Potential impacts of operations on ecosystems and biodiversity are identified. Impacts inside and outside the area of operation are considered, for example downstream; • Impacts are monitored and monitoring results are used to improve operational practices. Indicators 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2 include relevant management measures which are checked.
2.2.2	*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).*
Mitigation measures	Before harvesting operations commence the plot is visited and evaluated. Best forestry practices apply: • Were needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha are planned; • Regeneration focusses on tree species that maintain or improve soil quality; • Leave nutrients in the forests, mainly the green fraction of forest residues less or equal to 3 cm (on the other hand other forest residues need to be cleared to prevent forest fires.

	• Do not operate near-water areas • Fertilization of the ground, when needed and possible.
2.2.3 ***2.2.4***	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). The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Mitigation measures	• Training of suppliers, assessing and selecting 'SBE approved' suppliers; • Desk assessment (before harvesting operations commence) of key ecosystems and habitats: o All classified areas: - National Network of Protected Areas; - Special Areas of Conservation (SAC); - Special Protection Areas (SPA); - Ramsar sites; - Important Bird Areas (IBA); o Priority habitats in Natura 2000 network; o Areas where threatened species occur; o Areas where endemic species of the Iberian Peninsula occur; o Areas where seasonal concentrations of species occur; o Large landscape level forests; o Important areas for watershed protection; • Forest plot inspection prior harvesting; • Mapping of the harvesting plot, indicating key ecosystems, habitats and objects of importance to biodiversity; making photos prior to harvesting. • Best forestry practices, including measures to conserve and increase biodiversity (for example, standing dead wood. • Change of operational plan, if necessary; • Enermontijo keeps records of field inspections and continuously evaluates the results of the feedstock suppliers.
2.2.6	*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 minimized (CPET S5b).*
Mitigation measures	• Desk assessment (before harvesting operations commence) of Important areas for watershed protection o Cork oak and holm oak savannas located in areas with an aquifer recharge rate of over 175 mm/year o Aquifers • The plots and the surroundings (hill slopes and streams) are inspected on: o Runnoff problems (regarding the landscape, onsite and in the surroundings); o Groundwater level problems (too high or too low); o Protection of riversides and (lake) coastlines; • In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha; • Best forestry practices; 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 runoff; Runoff of elements of fertilizers and pesticides into the surrounding environment; • Enermontijo monitors the harvesting operations of its feedstock suppliers. These best practices are required to comply with the SBE program requirements.

2.3.2	*Adequate training is provided for all personnel, including employees and contractors (CPET S6d).*
Mitigation measures	• Training records obligatory according to legislation and records of qualification are collected during supplier qualification process and checked during supplier inspections; • Training conducted by Enermontijo in several fields, including identification of key ecosystems, habitats and species biodiversity (annually and additionally based on the results of the plot assessments); • Training on best forest management practices. • Enermontijo performs supplier inspections: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits.
2.4.2 Forest fires	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).
Mitigation measures	Specified risk is assessed on the fire management at forest level. Visual inspection of the plot before harvesting (checklists). Checked is if the plot was managed well on fire protection in the past, if not, the feedstock is not considered compliant. • Investigation of PMDFCI (Municipal Forest Fire Protection, Municipal de Defesa da Floresta Contra Incêndios); • Visual inspection of the plot before harvesting; • Implementation of forest fire fighting measures according to law; • Best forest practices; • Monitoring performance by Enermontijo. Thinning activities and use of end of life timber by Enermontijo has a positive effect on mitigating the risk of forest fires.
2.6.1	*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.*
Mitigation measures	• Enermontijo 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). • Enermontijo makes clear to employees and stakeholders that any complaint or comment related to feedstock supply is taken very seriously, to ensure sufficient performance on legality and social aspects of Sustainable Forest Management. • Enermontijo has a complaint procedure and keeps records. The feedstock suppliers are also required (signed supplier declaration) to actively implement a complaint procedure and keep records. • Enermontijo monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. Proactive interviews with relevant stakeholders, such as land owners on submitted comments (orally and in writing), and assessment if complaints were dealt with sufficiently. • The results of the inspections of Enermontijo have direct influence on the 'SBE program approved' status of feedstock suppliers.
2.8.1	*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).*
Mitigation measures	Enermontijo has a control system and adequate procedures on the health and safety of forest workers. Enermontijo demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring (administrative and field)

	inspections.
	
	• Supplier qualification process and inspections of the supplier's administration:
	  ○ Insurances and aptitude forms;
	  ○ Social Security;
	  ○ Present workforce and training (new) personnel;
	  ○ Health and safety procedures;
	  ○ Training records and hiring of specialists;
	  ○ Records of Personal Protection Equipment (PPE) distribution;
	  ○ Records of machinery safety tools and equipment on documental register;
	  ○ Medical record for employment.
	
	• Field inspection supplier:
	  ○ Protective equipment use;
	  ○ Medical kit;
	  ○ Fire extinguisher;
	  ○ Respect of safety distances;
	  ○ Level of knowledge of personnel.

2.9.1	*Feedstock is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.*
Mitigation measures	Wood from forests converted to plantations, as also wood lands that are converted to non-forest use are not considered SBP compliant. See also indicator 2.1.3. Wood from forests which are not managed according to best practices and which do not safeguard the carbon stocks above (regeneration of forests) and in the ground (degradation of grounds) are not considered SBP compliant See also indicator 2.2.2. Non-compliance with this indicator can also result in not procuring the feedstock. • Desk assessment, monitoring, and identification – High-risk and "Important areas for carbon storage"; • Field inspections and possible adaptions of forest management plans; • Limitation of harvesting operations on "Important areas for carbon storage".

10 Non-conformities and observations

- *These non-conformities are not likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.*

NC number 2020-01	**NC Grading:** Minor
Standard & Requirement:	Instruction Note 2C,4,1. The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.
Description of Non-conformance and Related Evidence:	
Supply base report is made in English and Portuguese, completed using version Version 1.3 published 14 January 2019; re-published 3 April 2020.There are various mistakes and errors in the english version of the SBR, Section 2.1 does not include a comparison of the scale of harvesting compared to other forest based industries in the region. Section 4.5 does not include a statement about the confidence that the evaluators have that the Biomass Producer can ensure that all specified feedstock are in full compliance with SBP Standards.Section 5 does not give a full description of the competencies of the contracted party that includes a justification for the appointment of personnel to the evaluation team.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	*Click or tap here to enter description provided by Company to close the NC.*
Findings for Evaluation of Evidence:	*Click or tap here to enter findings for evaluation of evidence by the auditor.*
NC Status:	Open

NC number 2020-02	**NC Grading:** Minor
Standard & Requirement:	Instruction Document 5E,3.1.4. The Operator has a Management System in place to make sure that data recording is compliant with ID5E.
Description of Non-conformance and Related Evidence:	
The Manual da Cadeia de Responsabilidade of 02-10-2019 still includes references and procedures to comply with instruction documents ID5B, ID5C and ID5D, but no refernce to ID5E.	

Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	*Click or tap here to enter description provided by Company to close the NC.*
Findings for Evaluation of Evidence:	*Click or tap here to enter findings for evaluation of evidence by the auditor.*
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):	Hubert Jurczyszyn
Date of decision:	19/Nov/2020
Other comments:	*Click or tap here to enter text.*