



NEPCon OÜ Evaluation of Jose Afonso & Filhos S.A Compliance with the SBP Framework: Public Summary Report

Re-assessment

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Table of Contents

- 1 Overview**
- 2 Scope of the evaluation and SBP certificate**
 - 2.1 Description of the company
 - 2.2 Detailed description of the Chain of Custody system
- 3 Specific objective**
- 4 Evaluation process**
 - 4.1 Timing of evaluation activities
 - 4.2 Description of evaluation activities
 - 4.3 Sampling methodology
 - 4.4 CB stakeholder engagement
 - 4.5 Stakeholder feedback
- 5 Results**
 - 5.1 Main strengths and weaknesses
 - 5.2 Rigour of Supply Base Evaluation
 - 5.3 Collection and communication of data
 - 5.4 Competency of involved personnel
- 6 Review of company's risk assessments**
 - 6.1 Overview of company's risk assessments and mitigation measures
 - 6.2 Specified risk indicators and mitigation measures
- 7 Non-conformities and observations**
- 8 Certification decision**

1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Rui Simoes
Audit team members:	Rui Simoes
Name of the Company:	Jose Afonso & Filhos S.A
Company legal address:	Zona Industrial Açude Pinto, Apt 7, Oleiros, Portugal
Company contact for SBP:	Francisco Fernandes
Company contact email:	comercial@jaf-madeiras.com
Company website:	N/A
SBP Certificate Code:	SBP-01-18
Date of certificate issue:	11 May 2021
Date of certificate expiry:	10 May 2026
Audit closing meeting date:	17 Feb 2021
Audit cycle:	Re-assessment

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	<input type="checkbox"/>
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3	<input type="checkbox"/>
Includes Supply Base Evaluation (SBE):	No	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Pellets	<input type="checkbox"/>

Feedstock types:	Secondary	<input type="checkbox"/>
Feedstock origin (countries):	Portugal, Spain	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Not applicable	<input type="checkbox"/>
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		<input type="checkbox"/>
Chain of custody system implemented:	PEFC, FSC: FSC (TT-COC-004480) PEFC (BMT-PEFC-1218)	<input type="checkbox"/>
	Credit	<input type="checkbox"/>

2.1 Description of the company

JAF is a biomass producer with a production situated in Oleiros, Portugal. At the same industrial area (<1Km distance) where pellet production plant is located the Biomass Producer has also a saw mill and a briquette plant. The sawmill is the main feedstock supplier to the pellet plant and to briquette plant. The sawmill is sourcing chips, sawdust and barks from its primary transformation to the biomass producer. Bark is used in the dryer. A solar plant was installed in 2019 year to feed electricity for the sawmill and pellet plants and is fully operational. As the pellet production needs more input material than can be delivered from the sawmill there is also additionally purchased other material as sawdust and sawmill residues in form of chips. The round wood used in the sawmill (logs for primary production) is originating mostly from Portugal and also from Spain. The volume of the feedstock (sawdust, sawmill residues in form of chips, bark) delivered to the pellet production and into dryer is recorded on regular basis. In the dryer the organisation is using eucalyptus branches and bark. The Organisation has implemented FSC and PEFC credit system. Incoming material is either FSC/PEFC certified or Controlled according to the organisation's own controlled wood verification program. The amount of the biomass produced according to FSC credit system might be sold as SBP-compliant or SBP-controlled. After production the pellets are transported to Figueira da Foz harbour where it is either directly loaded to the vessel or stored in the harbour storage until sufficient material is accumulated. Pellets cannot be mixed in this storage and organization does not operate it.

2.2 Detailed description of the Chain of Custody system

The Organisation is holding valid FSC and PEFC Chain of Custody and FSC Controlled wood certificates at the audit time. The Organisation has implemented a FSC credit system. FSC Credit system is used for materials received as FSC certified, and feedstock verified according to the Organisation's own Controlled wood Due Diligence System. The Controlled wood system of the organisation is covering Portugal and Spain. No other feedstock is received. 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 tones. 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 in a month: data about received raw materials by FSC certification status and volume of sold pellets are recorded. In case of FSC and/or SBP sales, the volume of sold pellets is withdrawn from the credit account.

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 the evaluation covered:

- Review of the BP's management procedures;
- Review of FSC system control points, analysis of the existing FSC/PEFC CoC system;
- Interviews with responsible staff, limited to most relevant due to remote mode (COVID 19 pandemic restrictions);
- Review of the records, calculations and conversion coefficients; and
- Energy data collection analysis.

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Rui Simões	4,0
2. On-site (excl. travel time)	Rui Simões	12,0
3. Report writing	Rui Simões	8,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Remote/Office	Rui Simões	16 Feb 2021/09:00
<i>Open NCR's and OBS</i>	Remote/Office	Rui Simões	16 Feb 2021/09:30
<i>SBR review Std#2</i>	Remote/Office	Rui Simões	16 Feb 2021/10:00
<i>Inputs review.</i>	Remote/Office	Rui Simões	16 Feb 2021/10:30
<i>COC Std#4 Credit</i>	Remote/Office	Rui Simões	16 Feb 2021/11:00

<i>account/conversion factor</i>			
<i>SAR review. Std #5</i>	Remote/Office	Rui Simões	16 Feb 2021/14:00
<i>Results of the first day</i>	Remote/Office	Rui Simões	16 Feb 2021/17:30
<i>Last documents and procedures review</i>	Remote/Office	Rui Simões	17 Feb 2021/09:00
<i>Auditor preparation</i>	Remote/Office	Rui Simões	17 Feb 2021/09:30
<i>Closing Meeting</i>	Remote/Office	Rui Simões	17 Feb 2021/10:15

Auditor qualification		
Auditor name	Role	Qualification
Rui Simões	Lead Auditor	Forestry engineer with more than 20 year experience in forest projects, management and works. Author of several fluvial and semiarid restoration projects and field works. FSC, PEFC, SBP, Forest Ecosystem restoration auditor for NEPCon. EU Nature, Biodiversity & Climate Projects Evaluator. International experience working on english, spanish and french language, besides mother portuguese. Climate Change PhD candidate.

4.2 Description of evaluation activities

The audit visit was focused on management system evaluation: division of the responsibilities, documents and system, input material classification (reception and registration), analysis of the existing FSC CoC system and control points as well as the collection of the energy data.

Description of the audit evaluation:

The SBP related documentation connected to the SBP as well as FSC CoC/Controlled sources system of the organisation, including SBP Procedures, Energy related data, Supply Base Report, were evaluated during the assessment.

Audit was performed on remote mode due to COVID 19 pandemic restrictions. Audit started with an opening meeting attended by the Quality Manager (Eng. Francisco Fernandes) and the forestry external consultant (Eng. Giovanni Alencastro) that supports the company in the SBP (and FSC) implementation.

Auditor provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope. After that auditor went through all applicable requirements of the SBP standards nrs. 2, 4, 5 and instruction documents (5E) covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, energy data and categorization of input and verification of SBP compliant and SBP Controlled feedstock/ biomass. During the process overall responsible person for SBP system as well as other persons having key responsibilities within the system were interviewed (Liliana Lourenço).

Open OBS's were evaluated to understand the management modifications and other BP development addressed to close them.

After that, applicable system and records were reviewed and FSC Chain of Custody implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and its classification, identification of feedstock origin, production process with the conversion factors associated, mass balance, final product storage and sales.

At the end of the audit findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the all relevant management and administration JAF team, namely Francisco Fernandes, Giovanni Alencastro, José Luís Afonso, Paula Afonso, José Diogo Afonso.

4.3 Sampling methodology

Sampling methodology included mostly the relevant inputs, namely SBP-approved Chain of Custody (CoC) Systems from several origins (Portugal and Spain), type of certificates (FSC & PEFC), type of feedstock (sawdust and chips). Verification of credit account was including pellet mill and sawmill and briquettes mills also. Transaction file was used to confirm the SBP categorization as SBP Compliant Biomass or SBP Controlled Biomass.

4.4 CB stakeholder engagement

Stakeholder consultation by CB was done through an updated stakeholder list used by FSC National office (11/01/2021). This stakeholders list includes all relevant stakeholders of various sectors including Administration Services and Civil Society.

4.5 Stakeholder feedback

No feedback was received from any stakeholder.

5 Results

5.1 Main strengths and weaknesses

Strengths:

- -Installed solar plant went to full production over the reporting period to provide part of the spent electricity, which is a very positive tool for pellets energetic profile, and overall sustainability of the company;
- -Majority of feedstock reaching pellet mill is supplied inside the Organization supply chain including forest activities starting on standing trees, transportation and the sawmill;

Weaknesses:

- Small amounts of FSC and PEFC certified material available.
- BP didn't start to sell SBP compliant biomass products.

See Major NCR

5.2 Rigour of Supply Base Evaluation

Not applicable.

5.3 Collection and communication of data

The organization has developed, an continuous improved system for collection of energy data, reaching very strong results over the time. An external forestry consultant helps the organization with the collection and communication of data.

5.4 Competency of involved personnel

The main SBP responsible person in the company is Purchasing Manager Francisco Fernandes who is a Chemistry Engineer and since 2013 Post-Graduated on Industrial & Management Engineer.

Company CEO, José Luís Afonso, is a senior lumberman and sawnwood industry experienced man, who is also involved with purchasing activities.

Records are organized and kept from reception-Liliana Lourenço – to Susana Lourenço (accountant responsible), involving software responsible (Sérgio Dias- Informatics Management Engineer).

JAF team is supported by external senior consultant Forestry Engineer Giovanni Alencastro who is mostly involved in training, internal procedures preparation and helping to set up the management system against certification.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Not applicable

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-000117	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 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:	
The BP has developed a Supply Base Report that includes most of the information requested by the Standard but in case of Spain the comparison of the scale of harvesting compared to other forest-based industries in the region is missing	
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:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000118	NC Grading: Major
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.3.1 All requirements of the relevant chain of custody control system specified in the SBP-approved CoC system shall be implemented to calculate outputs.
Description of Non-conformance and Related Evidence:	
Description of Non-conformance and Related Evidence: Engineering calculations have been done by audit team/report reviewer to verify the mass balance between input and output for pellet production using the following approach: $W_f = W_i \times (100-MC_i)/(100-MC_f)$ W_i = Initial weight W_f = Final weight For the data provided in the SAR the discrepancy between engineering calculation and actual production is 14.25%.	

Real production is 14.25% higher than theoretical value based on the feedstock amounts and moisture provided in the SAR. While audit team acknowledges that the discrepancy between engineering calculation and the actual biomass production may exist, Organisation was not able to justify the reasons for that.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	New SAR document updated. Internal SAR data sheet calculation and justification provided by the responsible staff
Findings for Evaluation of Evidence:	Prior to close this report, JaF has informed that the difference found in dry mass balance was due to different factors: a) Some mistakes in stock calculations units b) A mistake at the entrance calculation amount in feedstock group 2 and c) Conversion units used from m3 to tn of feedstock are based on estimated values with the weight of trucks at the entrance. In the updated SAR dry mass balance difference is about 5.7%. Conversion unit from m3 to tn of chips used is 0.333. It is noted that small variation of this factor may justify the difference. See OBS 03/21
NC Status:	Closed

NC number NC-000249	NC Grading: Observation
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
Requirement:	3.3.2 The characteristics of biomass shall be able to be traced back to the characteristics and quantities of incoming feedstock, taking into account the applicable conversion factors
Description of Non-conformance and Related Evidence:	
The organization used conversion units from m3 to tn of feedstock based on estimated values with the weight of trucks at the entrance. In the reporting period 0.33 is used for chips and 0.312 is used for sawdust. The organization should monitor the consistency of these values with the dry mass balance to ensure that there is no significant differences between theoretical and real production	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

8 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):	Pilar Gorriá Serrano
Date of decision:	13 Apr 2021
Other comments:	N/A