



NEPCon OÜ Evaluation of Palser Bioenergia e Paletes, LLC Compliance with the SBP Framework: Public Summary Report

Re-assessment

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Completed in accordance with the CB Public Summary Report Template Version 1.5

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

Document history

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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:	Palser Bioenergia e Paletes, LLC
Company legal address:	Edifício Palser, Zona Industrial, Apartado 25, 6101-909 Sertã, Portugal
Company contact for SBP:	Rui Pedro
Company contact email:	qualidade@palser.pt
Company website:	N/A
SBP Certificate Code:	SBP-01-32
Date of certificate issue:	02 Sep 2021
Date of certificate expiry:	01 Sep 2026
Audit closing meeting date:	28 May 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:	FSC: SGSCH-COC-009172	<input type="checkbox"/>
	Percentage	<input type="checkbox"/>

2.1 Description of the company

The Palser group started their operation in 1984 resulting from the effort of two workers who had the opportunity to acquire a small sawmill, which subcontracted the sawing of logs. Currently Palser with two plants, in Sertã and in Palmela, has 160 employees and has a registered capital of 5.000.000 Euros. The manufacturing plant develops its main activities such as sawmill, production and recovery of pallets, wooden packaging and agglomerate block production in three manufacturing units, electric power production from forest biomass and pellets production. The total amount of electricity produced within Forest Biomass Thermoelectric Plant-CHP in Palser is sold to the grid, and so there is not internal use of this electricity. In 2020, Palser, Lda. installed a new factory and has already started the production of compressed blocks, using wood chips, that is also a residue from the sawnwood process. The input material for the pellet production is secondary material sourced from wood industries (mostly sawdust but also a very small amount of sawmill chips). The flow of the feedstock for the pellet mill level starts with the sawmill Pinhoser (within Palser economic Group). Pinhoser sources sawn timber to the pallets production factory (the main activity in the Group) and sawdust and chips for the pellets production. For the energy flow, forest biomass from thinning, forest residues and industry residues (without quality for pellets production) are used in a cogeneration energy plant based in the same facilities. The heat obtained as co-product of the process of obtaining electricity is used as an input in the pellets drier. At Pinhoser all incoming feedstock is either FSC certified, FSC Controlled or controlled according to the existing FSC Controlled wood verification program. FSC Controlled wood verification program is applicable for feedstock originating from continental Portugal and Spain. Origin information at FMU level (forestry) is available on the delivery documents at first transformation points, mostly the companies of the group (Pinhoser, Palser Palmela), but also other sawmills (#17). At Palser a FSC percentage system is implemented meaning that when certified product is ordered to Pinhoser or Palser Palmela plant, the pellet mill will work using temporal and physical segregation mechanisms. Pellets are transported by truck and sold at Figueira da Foz harbour. Transport responsibility is hold by the customer from Figueira da Foz harbour under incoterms conditions FOB. In the middle of the way

from industrial plant to the harbour there is a storage site (Pombal), to enable very fast loading of the ships when they are planned. Besides FSC certification, Palser have also PEFC and several quality certifications for pallets and wood packaging.

2.2 Detailed description of the Chain of Custody system

The Organisation holds a valid FSC Chain of Custody (SGSCH-COC-009172) with pellets included in the product group and FSC Controlled wood in the scope of the certificate. Critical control points of the FSC CoC system were evaluated also during SBP assessment. The Organisation has implemented FSC percentage system. All the input materials are received either with FSC certified claim or FSC Controlled wood claim. FSC Certified and FSC Controlled wood includes only material from Portugal continental and Spain. Incoming wood reception register and supplier lists are maintained. All material is checked during the arrival and correctly recorded in the internal system. Before starting certified production all the processing cycle is emptied according to temporal segregation. Based on the percentage management, the proportion of the SBP-compliant biomass and SBP-controlled biomass is calculated from FSC 100%/FSC Credit Material certified and FSC Controlled Wood feedstock, respectively. In case of FSC and/or SBP sales, the volume of sold pellets is withdrawn from the percentage account. Although the high proportion of FSC Controlled Wood feedstock (about 74%) there is a very small amount of FSC certified feedstock material.

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 the production processes;
- Review of FSC system control points, analysis of the existing FSC/PEFC CoC system;
- Interviews with responsible staff;
- 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 Simoes	4,0
2. On-site (excl. travel time)	Rui Simoes	12,0
3. Report writing	Rui Simoes	12,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Pellet plant office	Rui Simoes	27 May 2021/09:30
<i>Documents and procedures review</i>	Pellet plant office	Rui Simoes	27 May 2021/10:00
<i>SBR review Std#2</i>	Pellet plant office	Rui Simoes	27 May 2021/10:30

<i>Inputs review, interviews</i>	Pellet plant office	Rui Simoes	27 May 2021/11:30
<i>Chain od custody Std#4</i>	Pellet plant office/facilities	Rui Simoes	27 May 2021/12:00
<i>SAR review. Std #5</i>	Pellet Plant office/facilities	Rui Simoes	27 May 2021/14:00
<i>Presentatio results first day</i>	Pellet plant office	Rui Simoes	27 May 2021/16:30
<i>Last review to documents and procedures and interviews</i>	Plant Office and facilities	Rui Simoes	28 May 2021/09:00
<i>Auditor preparation</i>	Pellet plant office	Rui Simoes	28 May 2021/10:30
<i>Closing meeting</i>	Pellet plant office	Rui Simoes	28 May 2021/11:30

Auditor qualification		
Auditor name	Role	Qualification
Rui Simoes	Leader Auditor	Forestry engineer with more than 20 year experience in forest project, management and works. Author of several fluvial and desertic restoration projects and field works. FSC, PEFC in SBP and COC leader auditor for NEPCon. EU Nature Conservation Projects Evaluator. International experience working on english,

		spanish and french language, besides mother portuguese. Climate Change PhD candidate.
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4.2 Description of evaluation activities

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

Description of the audit evaluation:

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

Auditor arrived at Palser plant and was received by the company certification team. Audit started with an opening meeting attended by the Quality Manager, the Chief Officer, Production Responsible and Quality Engineer.

Auditor provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope. During the opening meeting the auditor explained CB's approval related issues.

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 system, management system, CoC, recordkeeping/mass balance requirements, energy data and categorisation 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.

Team controlling staff was interviewed and FSC system critical control points were analysed: feedstock identification, entrance verification, control system, feedstock stock, production process, sales ad records keeping.

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 the Palser team.

4.3 Sampling methodology

Sampling methodology included the pellet plant, which is the only active site for pellet production. Documents were sampled according to variety, meaning types of feedstock, scale and relevance of suppliers.

4.4 CB stakeholder engagement

Stakeholder consultation was conducted on 5.04.2021 by sending email communication to over 100 stakeholder. The consulted list was taken from the FSC Portugal data base where companies, organizations, public administration and individuals are recorded from environmental, social and economical sectors.

4.5 Stakeholder feedback

No feedback from stakeholders has been received.

5 Results

5.1 Main strengths and weaknesses

Strengths:

The full cascading use of wood inside the Palser economic group is kept, which is a robust mainframe to understand that all the value is reached over the processing cycle. This includes the main product (wood pallets), but also full development is given to all de co-products such as secondary sawdust and chips. A CHP is feeded mostly with forest biomass, which gives a synergic value for this residue, both at energy dimension, but also valuing the forest fire prevention at the local level. Heat from CHP is used at pellet drying, also.

Weaknesses:

A very small amount of SBP Compliant Biomass is produced, as Maritime pine FSC certified wood is not very common locally or regionally, and no Supply Base Evaluation was conducted by company yet.

Biofuel share on all used diesel (transportation, handling, loading) was not reported at SAR. Minor NCR is issued

5.2 Rigour of Supply Base Evaluation

Not Applicable

5.3 Collection and communication of data

Collection and communication of data is clear and robust, with all the calculations open to auditor for verification. Relevant meters and measurement equipment is integrated on the production cycle.

5.4 Competency of involved personnel

During this re-assessment audit, it was identified that the staff members involved into the SBP system management and implementation was updated over the system. Interviewed staff (Eng^o Rui Pedro, Eng^o Pedro Inácio, Eng^o Nelson Costa, Miguel Martins) demonstrated awareness of their responsibilities within SBP system. Overall responsible staff was familiar with the SBP requirements. *Management is involved at the SBP certification and aware of its challenges (Libânio Nunes)*

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-000379		NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4	
Requirement:	6.11.4 The following data can be recorded only when actual and verifiable data is available: - Evidence that vehicles are not always returning empty, e.g. bill of lading. This information may be used to justify a back-haulage rate. Note: the JRC default value for backhaul for sea transport is 70%; - If transport fuels are blended with biofuels, the share of biofuel shall be reported	
Description of Non-conformance and Related Evidence:		
Biofuel share on all used diesel (transportation, handling, loading) was not reported at SAR.		
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-000380		NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3	
Requirement:	4.1.9 For stationary BPs (e.g. Pellet Mills) at least one SDI shall be defined for the end of the BP's factory gate. Note: This requirement does not apply in the case of a mobile chipper.	
Description of Non-conformance and Related Evidence:		
The BP has defined only one SDI which is in the port but no SDI was defined for the end of the BPs factory gate. As BP does not see an option to sell pellets at the gate or in another port, this is classified as minor non/conformity.		

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:	2021 SAR; Ficha de Acções Correctivas
Findings for Evaluation of Evidence:	BP has included a SDI on Pellet Plant gate on its 2021 SAR. Interviews with the relevant staff have demonstrated a good understanding on the requirement and SAR shown good implementation.
NC Status:	Closed

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 Gorría
Date of decision:	08 Jun 2021
Other comments:	N/A