



Supply Base Report: Reginacork, SA

Third Surveillance Audit

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Completed in accordance with the Supply Base 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

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Contents

- 1 Overview**
 - 2 Description of the Supply Base**
 - 2.1 General description
 - 2.2 Description of countries included in the Supply Base
 - 2.3 Actions taken to promote certification amongst feedstock supplier
 - 2.4 Quantification of the Supply Base
 - 3 Requirement for a Supply Base Evaluation**
 - 4 Supply Base Evaluation**
 - 4.1 Scope
 - 4.2 Justification
 - 4.3 Results of risk assessment and Supplier Verification Programme
 - 4.4 Conclusion
 - 5 Supply Base Evaluation process**
 - 6 Stakeholder consultation**
 - 6.1 Response to stakeholder comments
 - 7 Mitigation measures**
 - 7.1 Mitigation measures
 - 7.2 Monitoring and outcomes
 - 8 Detailed findings for indicators**
 - 9 Review of report**
 - 9.1 Peer review
 - 9.2 Public or additional reviews
 - 10 Approval of report**
- Annex 1: Detailed findings for Supply Base Evaluation indicators**

1 Overview

Producer name: Reginacork, SA

Producer address: Herdade Monte Novo 75 2959-909 Pinhal Novo , Portugal

SBP Certificate Code: SBP-07-01

Geographic position: 38.635, -8.9172

Primary contact: Sofia Cardoso, +351 212 361 406,florestal@reginacork.pt

Company website: www.reginacork.pt

Date report finalised: 2021-03-12

Close of last CB audit: 2020-02-19

Name of CB: NEPCon OÜ

SBP Standard(s) used: SBP Standard 1: Feedstock Compliance Standard, 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

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: Not applicable

Weblink to SBR on Company website: http://www.reginacork.pt/?page_id=2293

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations					
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance	Re-assessment
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2 Description of the Supply Base

2.1 General description

Feedstock types: Primary, Secondary

Includes Supply Base evaluation (SBE): Yes

Feedstock origin (countries): Portugal

2.2 Description of countries included in the Supply Base

Country:Portugal

Area/Region: Continent

Exclusions: No

The Biomass Producer (BP) Reginacork is a company located in Pinhal Novo in the centre-south of Portugal. Reginacork produces wood pellets, wood chips, and half-products out of cork (cork granules). Low grade roundwood is used for pellet production; saw logs are sold to sawmills.

The SBP reporting period is the calendar year. The statistics provided in this report are based on the reporting period that is year 2020.

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

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

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

- Low grade tree stems / Fuel wood (FSC W1.2):

Maritime pine (*Pinus pinaster*); Umbrella pine (*Pinus pinea*); Eucalyptus (*Eucalyptus spp.*); Acacia (*Acacia spp.*); Narrow-leafed ash (*Fraxinus angustifolia*);

- Harvesting residues / Twigs (FSC W1.3):

Maritime pine (*Pinus pinaster*); Umbrella pine (*Pinus pinea*); Eucalyptus (*Eucalyptus spp.*); Poplar (*Populus spp.*); Acacia (*Acacia spp.*); Narrow-leafed ash (*Fraxinus angustifolia*);

- Sawdust (FSC W3.2):

Maritime pine (*Pinus pinaster*); Umbrella pine (*Pinus pinea*);

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

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

These regions are mainly composed of pine, oak and eucalyptus. In Portugal that there are more than half a million forest owners, and most own only one or two ha of land. However, in the South the average size of the properties is larger.

Reginacork works with approximately 19 primary wood suppliers and buys wood directly from forest owners (standing wood). When buying from forest owners, Reginacork subcontracts harvesting teams to conduct the harvesting and wood chipper. The harvesting teams mainly do maintenance and selective cuttings. (When the wood is chipped at the place of harvesting, Reginacork does this with its own chipper and personnel.) The harvesting teams work at approximately six different land owners each per year.

(Considering pellet production around 99% of the feedstock was in SBP-scope and 71% was SBP-compliant feedstock. Next to the export of SBP industrial pellets, Reginacork sells wood chips to companies on the local market and high-quality wood pellets to the residential market.)

Cork powder is a residue from Reginacork's own production of natural cork granules is used for heating the feedstock dryer. Natural cork from the cork oak (*Quercus suber*) is coming from about 141 (2020) suppliers in Continental Portugal.

Description 'Continental Portugal'

According to the final report of last National Forest Inventory (IFN6) - 2015, the Portuguese Forest covers 3,2 million ha, it represents 69,4% of Portugal Mainland.

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

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

- 2% - unproductive.

Forest occupation in Portugal Mainland (2015):

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

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

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

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

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

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

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

Guard (SEPNA / GNR) is engaged in the inspection of environmental issues and natural resources in all private and public areas.

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

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

Regarding species, published data in November 2018 by ICNF, the most relevant in terms of biomass production are maritime pine (*Pinus pinaster*) 23% of forest surface 714 000 ha, eucalyptus (*Eucalyptus spp.*) 26% of forest surface 812 000 ha and stone pine (*Pinus pinea*) 6% of forest surface 175 000 ha (<http://www2.icnf.pt/portal/florestas/ppf/estatisticas-oficiais/resource/doc/ICNF-Perfil-Florestal-v08nov2018.pdf>). It is [i1] [JC2] important to highlight that stone pine is mainly used to produce pine nut and mostly the thinning and pruning by-products are used for pellet production. maritime pine and eucalyptus are spread all around the country. Stone pine can mainly be found in the South.

2.3 Actions taken to promote certification amongst feedstock supplier

Reginacork's feedstock and forestry suppliers are informed of the importance of certified wood supply. In 2020 4 (four) subcontracted forestry suppliers and 1 (one) feedstock supplier were FSC certified. 3 (three) suppliers were in the certification process ongoing at the end of the year.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 3,20
- b. **Tenure by type (million ha):**2.85 (Privately owned), 0.25 (Community concession), 0.10 (Public)
- c. **Forest by type (million ha):**3.20 (Temperate)
- d. **Forest by management type (million ha):**1.80 (Plantation), 1.40 (Managed natural)
- e. **Certified forest by scheme (million ha):**500.00 (FSC), 304.00 (PEFC)

Describe the harvesting type which best describes how your material is sourced: Thinning

Explanation: No clear cut applies to the production of industrial pellets, a sporadic selective cutting can take place. For SBP pellets are used forest residues from forest maintenance operations, tops and branches. The operations are executed by sub-contractors and third parties. The residues are mainly chipped in the forest by sub-contractors of Reginacork.

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: Sone (umbrella) pine is mainly used to produce pine nut and mostly the thinning and pruning by-products are used for pellet production. This pine species is mainly be found in the south regions of Portugal, the main areas sourced by Reginacork.

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Majority

Explanation: N/A

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? Yes - Minority

Explanation: N/A

Feedstock

Reporting period from: 2020-01-01

Reporting period to: 2020-12-31

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 1-200,000 tonnes
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: 1% - 19%
 - Not certified to an SBP-approved Forest Management Scheme: 80% - 100%
- d. **List of all the species in primary feedstock, including scientific name:** Pinus pinea (Stone pine or umbrella pine); Pinus pinaster (Maritime pine); Acacia spp (Acacia); Populus spp (Poplar); Eucalyptus spp (Eucalyptus); Fraxinus angustifolia (Narrow-leafed ash);
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** No
 - Name of species: N/A
 - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** 0,28
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 99,72
- h. **Proportion of biomass composed of or derived from saw logs (%):** 0,00
- i. **Specify the local regulations or industry standards that define saw logs:** N/A
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0,00
- k. **Volume of primary feedstock from primary forest:** 0 N/A
- l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:**
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
- m. **Volume of secondary feedstock:** 1-200,000 tonnes
 - Physical form of the feedstock: Chips
- n. **Volume of tertiary feedstock:** 0 N/A
 - Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period

Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	78,16	21,84	0,00	0,00
Secondary	0,00	0,00	0,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? Yes

SBE was required since primary feedstock is normally coming from non-FM-certified properties. The intention of Reginacork is to sell SBP-compliant feedstock, so SBE was conducted for the Supply Base.

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: Primary

SBP-endorsed Regional Risk Assessments used: Not applicable

List of countries and regions included in the SBE:

Country: Portugal

Indicator with specified risk in the risk assessment used:

1.1.2 Feedstock can be traced back to the defined Supply Base.

Specific risk description:

The Portuguese timber industry imports much pine raw material, mostly from Spain. There are several documents that should accompany raw material supply and identify the origin of the raw material. See also indicator 1.2.1 below.

Country: Portugal

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

Reginacork does not buy any wood from wood suppliers without a valid company registration, nor from wood lands, of which the owner rights are disputed. Any dispute concerning the ownership of the wood needs to be investigated and solved first. 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: a. Cadastral data are unavailable; b. The land will be impounded by the government; c. There are complaints about the land owner, or the harvest operation. In these cases, the internal procedure 'Procedure on the legality and origin of raw material' is activated.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

Specific risk description:

In chapter 7 of this report a list of websites is given for identifying and mapping the HCVs. See indicator 2.1.2. for more information.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.1.2 The BP 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.

Specific risk description:

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. Special attention should be given to the National System of Classified Areas (SNAC) and to Important Bird and Biodiversity Areas (IBAs). See 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, Reginacork 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. The Forest Engineer of Reginacork checks the environmental assessment and does field inspections. The checks and inspections are recorded. The habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports. See below, indicator 2.2.3. HCV 4 – Critical ecosystem services & HCV 5 – Community needs This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated for each region by the Regional Forestry Management Plan (PROF). There are no indigenous people in Portugal, but it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). Building fences around forests is most of the time undesirable. See below, indicators 2.2.2, 2.2.3, 2.4.1 and 2.5.1. Indicator 2.6.1 functions as a safety net.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.1.3 The BP 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.

Specific risk description:

Reginacork considers all pine stands as forests and eucalyptus stands as plantations. Reginacork checks if forests have been changed to plantations. There is a specified risk that this indicator is not met. There are no assurances, new eucalyptus plantations from after Jan. 2008 are not already maintained or harvested. First maintenance cuts are done after 8 years and the present forest fires result in instant harvesting of plantations. Besides, poplar and other tree species can be considered a plantation and the new law proposal only covers Eucalyptus. 21 March 2017, the Minister Council approved a law proposal that reviews the Legal Regime of Arborisation and Reforestation Actions. It blocks the expansion of the eucalyptus plantation areas, allowing new plantations only as compensation for areas previously occupied by eucalyptus and currently abandoned. It will be mandatory that the areas previously occupied by this species shall be cleaned and used for other agricultural or forestry activities.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.2.1 The BP 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.

Specific risk description:

Sometimes no forest plan is available (no PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification). Additional assessments of environmental impacts need to be made and recorded before harvest. See also indicators 2.2.2, 2.2.3, 2.2.4, and 2.4.2.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.2.2 The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b)

Specific risk description:

In some regions, there is the problem of degradation of (poor) soils due to previous land-use practices and climate change.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.2.3 The BP 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).

Specific risk description:

In Portugal, key ecosystems and habitats are mostly located in Protected areas and in Classified Areas (Natura 2000). However, approximately 2/3 of classified areas are not included in protected areas of the National Network of Protected Areas. Besides, there are key ecosystems and habitats occurring outside Protected and Classified areas.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Specific risk description:

About 3,600 species of plants can be found in Portugal. There are 69 taxa of terrestrial mammals, a total of 313 bird species, of which around 35% are threatened in some ways, and 17 amphibians and 34 reptile species that are present in Portugal. Some of the main threats to the biological diversity of Portugal include: alteration or destruction of habitats; pollution; overexploitation; invasive alien species; urbanization and fires.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.2.6 The BP has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).

Specific risk description:

Reginacork considers the landscape where the harvest operations are executed, including hill slopes and streams that can overflow and demands the same from its feedstock suppliers. Clear cutting (of several ha) is avoided in areas where all conditions are at high risk for soil erosion. In these cases, is followed the ICNF Handbook for forest best practices: 'In the areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.' Best practises regarding harvesting operations are required to comply with the requirements of SBE program.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).

Specific risk description:

This is not covered sufficiently. The National Strategy for Forests states that the focus on the professionalization and training of the different actors in the forestry sector is of key importance for increasing the competitiveness and, thereby, the development of the sector.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.4.1 The BP has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).

Specific risk description:

There is a specified risk for insufficient assessment of the impact of harvesting operations that replace (destroy) the existing forest ecosystem. In the NRAs are highlighted the 'health, vitality and other services provided by forest ecosystems' to the forest ecosystems. Reginacork underlines that these services can be of importance to the local population. Forests can be of importance to the environment around the forests, they can reduce the impact of extreme weather, and reduce the impact of air-pollution, and noise. For example, it takes only one dense forest stand to improve the perception of an area / to cover up 'visual pollution'. Forest (ecosystems) can be essential for: a. Breaking hard winds and rainfall (roads and houses); b. Recreation in and around the forests; c. Hunting, fishing and gathering of berries and mushrooms; d. Agriculture near the forests (this is of importance in Portugal). The use of wild products by communities is common practise in Portugal (mushrooms, asparagus, snails, besides fishing on public waters).

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.4.2 The BP has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).

Specific risk description:

Pests, diseases and fires are today the greatest perceived risks in the Portuguese forest sector. As stated in previous indicator biotic and abiotic risks are supported by disturbances affect in 2011 24% of the forest

area, generated by a regressive vicious cycle that combines fire, 'seca', pests, diseases and invasive species.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.5.1 The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected (CPET S9).

Specific risk description:

There is a specified risk that the rights of local communities could be violated, but it is an exceptional one. If the land area to be harvested is fenced, moreover, if it has been recently fenced, the opinion of residents is assessed. Abuse of fences, blocked roads, and inadequate signs makes the feedstock non-compliant to the requirements of the SBE program. In Portugal entering private forest lands is not considered an invasion and the use of wild products is common practise. There are no indigenous people in Portugal.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.6.1 The BP has implemented appropriate control systems and procedures for verifying that 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.

Specific risk description:

There are a very large number of land owners with extremely small forested properties in Portugal. Some regions of the country lack cadastral data, which gives problems on assessing the boundaries of harvesting plots. Cultural and social interests could be overlooked. The aim is to track down and solve grievances and disputes before the harvesting operations commence, with special attention to the indicators, which are categorised 'specified risk'.

Country: Portugal

Indicator with specified risk in the risk assessment used:

2.8.1 The BP 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).

Specific risk description:

International Trade Union Confederation (IUTC) ranks countries against 97 indicators to assess where workers' rights are best protected. Portugal has a rating of 3 (from 1 to 5+). This score is given for countries where: (There are) 'Regular violation of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.'

Country: Portugal

Indicator with specified risk in the risk assessment used:

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.

Specific risk description:

There is a specified risk of reducing high carbon stocks, but it is not a prominent one. This risk has a regional to local character and is specifically related to the risks mentioned in the following indicators: a. 2.1.3 (land conversion); b. 2.2.2 (degradation of grounds). For example, the conversion of forests to urban use is significant (28 thousand ha). In total, the forest area decreased by 150 611 ha, 85% of these forest lands were converted to 'weeds and pastures' (between 1995 and 2010, according to the ICNF). Forests owners can choose to start an orchard, governments can decide to extend the area of urban lands. This occurs regularly in Portugal. When forests are converted to other land use the carbon stock is lost. One of the 5 principles of FSC Controlled Wood states that wood from converted land is not acceptable, in practise, however, this point is not evaluated by wood procuring companies, which normally consider all procurements from Portugal at least FSC CW. Extra monitoring is needed.

4.2 Justification

The BP has chosen to implement the SBP Supply Base Evaluation method (SBP Standard 1), because there are many small forest owners and the development of FSC (or PEFC) group certification has only started to develop. Clients of industrial wood pellets, and wood chips, however, are demanding deliveries of SBP-compliant biomass already today. Moreover, the risks to forestry in Portugal are limited and possible to mitigate. Forest operations, done by BP's own harvesting teams and by BP's wood suppliers, which are specialized wood harvesting companies, are based on national and international best practises. BP are interested to obtain international recognition considering the quality and sustainability of forest operations and are motivated to cooperate with the many small forest land owners to implement risk mitigation measures, regarding forestry in Portugal. The BP has in place a monitoring procedure on checking forest operations. During the forest sites and company visits the transparency and compliance with SBP sustainable feedstock indicators are checked and the results are recorded. The BP has the responsibility for carrying out the SBP risk assessment on forestry in the relevant regions and implementing mitigation measures to manage risks in such a way, that the risks are under control. The Supply Base Evaluation procedure also ensures active engagement with a diverse range of stakeholders.

4.3 Results of risk assessment and Supplier Verification Programme

The risk assessment has been developed on basis of SBP Standards №1 and №2, version 1.0 of March 2015. The BP has assessed the risks related to each SBP indicator. The BP has an in-depth understanding of the feedstock sourcing risks. Considering Continental Portugal and the forest operations of the BP, most risks are low, mainly because: a. The BP does not source protected tree species and mainly conducts maintenance operations; b. A stable cultural, juridical, and economical balance in the forestry sector; c. Low corruption in forestry (the Corruption Perception Index 2020 in Portugal is 61), The Portuguese law requires feedstock supply to be accompanied with an AT Guide for all tree species and Felling Manifests for pine. These documents state the tree species, traded volumes, land owners and place of harvest. In accordance with the SBP requirements, the BP can accurately classify and describe the tree species and types and categories of primary feedstock, as also the approximate share of round wood from final fellings. The BP accepted all the specified risks in draft SBP NRA and addresses a few more. However, in practise, there is a large overlap in the causes of the specified risks and the means to mitigate them. Regarding the harvesting operations within the SBE program, the forest area is always inspected before harvesting operations commence. Before the field inspection, possible conservation values and risks are evaluated by means of a desk study. Useful in this evaluation is the website of WWF, called HABEaS Portugal, which provides information on many kinds of environmental aspects. The RA had no inconclusive indicators and

supplier verification programme was not developed to determine the level of risk for inconclusive indicators. However, suppliers are checked on a continuous basis by Reginacork for every plot from which potentially SBP-compliant feedstock could be sources from. Reginacork collects all legal documents from a supplier before starting cooperation and makes a report on every company visit and every field inspection.

4.4 Conclusion

Discussion points and opinions on possible sustainability risks in feedstock procurement in Portugal have been studied in detail over the last years during the process of the SBP NRA. In general, there is a good understanding of the necessity of performing additional Risk Mitigating Measures (RMMs). In general, many specified risks were found during the SBP SBE of Reginacork; they are, however, manageable. Legality is supported by FSC Controlled Wood Certification and Due Diligence system in place. Forestry in Portugal has a long history and, in general, sustainability is respected. A big strength of Reginacorks' SBE is a 100% check of potentially compliant plots and harvesting teams by the forestry specialist. If any of the specified risks are not able to be mitigated, the would is not taken as SBP-compliant feedstock. In this way the full compliance with SBP Standards is ensured.

5 Supply Base Evaluation process

Development of the SBE

The Supply Base Evaluation took the final draft of the SBP National Risk Assessment (NRA) for Portugal into consideration, as also national legislation, national policies, and annual reports and publications of relevant institutions and authorities. During the preparation of the SBE, a detailed baseline study was made for each of the SBP indicators. A summarised description on each indicator is presented in Annex 1, and covers all relevant indicators of SBP Standard 1.

The certification team took the following steps in developing the Supply Base Evaluation:

- Develop the Risk Assessment and additional Risk Mitigation Measures (RMM) in cooperation with the suppliers of Reginacork (discussions on risks and analyses of non-conformities);
- Study the draft SBP National Risk Assessments (NRA) and compare it with Reginacork's own experience and procedures;
- Incorporate the RMM in the procedures of Reginacork (adapt and develop procedures and check-lists related to feedstock procurement);
- Train harvesting teams of Reginacork;
- Evaluate the RMM during harvesting operations of feedstock suppliers in practise.

Relevant documents are:

- Signed declarations of selected feedstock suppliers and land owners (wood on stem);
- Documentation accompanying feedstock supply related to the FSC evaluation of Controlled Wood (verifying the origin of the wood);
- Evaluation of the risks and possible impacts of harvesting operations;
- Best practices regarding harvesting operations;
- Monitoring procedure;
- Harvesting plot assessment checklists;
- Complaint procedures and journals.

The Risk Assessment (RA) resulted in 17 specified risks (no inconclusive indicators). See paragraph 4.3.

Approval of harvesting teams and feedstock suppliers

Reginacork subcontracts harvesting teams, which are working mainly for one land owner. The SBE approval system focusses on legal approval of suppliers.

Site visits are conducted continuously to check operational performance and see how mitigation measures are implemented in practise. As described in the following subsection, Reginacork, does not categorise all feedstock coming from the SBE approved subcontractors as 'SBP-compliant feedstock'. Reginacork's procedures regarding its harvesting teams, feedstock suppliers and their harvesting operations, include:

- Selecting harvesting teams (and feedstock suppliers) that comply on the additional requirements to achieve 'SBP-compliant biomass';
- Training harvesting teams (and feedstock suppliers) – best forest practices, health and safety procedures, protected species list;
- Checking performance of harvesting teams (and feedstock suppliers);

Implementation mitigation measures and acceptance of feedstock

The SBE was developed in 2017. The practical implementation of the risk mitigation measures is a continuous process, because new plots are being prepared for harvesting operations all the time. Risks and mitigation measures need to be specified on the level of practical harvesting operations.

To address all possible risks, additions were made to several of the procedures of Reginacork. Important is the assessment of the plots prior to harvesting.

Steps taken to guarantee sustainable management of wood lands:

- Studying publicly available and other information regarding the plots where harvesting operations are planned and their surroundings;
- Evaluation of the risks and possible impacts of harvesting operations;
- Informing from forestry specialist on found results on possible risks;
- Onsite assessment of the plots and their surroundings prior to harvesting, measures are taken when the possible risks related to the plot prove to be applicable; for example, when habitats are found;
- Checking possible local interests, future plans regarding the land, and complaint management;
- Development of adaptations to the harvesting plans, if needed;
- Records are kept on the evaluation of risks, the investigation of the plot and its surroundings, and the performed measures.

Inspections of harvesting sites and feedstock suppliers include:

- The harvesting activities of harvesting teams and feedstock suppliers;
- The administration of the primary feedstock suppliers;

Considering the situation in Portugal, in which there are more than half a million forest owners, and most own only a few hectares of land, not all feedstock provided by the SBE approved feedstock suppliers will automatically become SBP-compliant feedstock. There are factors beyond the reach of the SBE approved feedstock suppliers, for example, if an estate has been poorly managed by a land owner. Reginacork does not categorise feedstock as compliant, if the wood land was insufficiently managed in the past or will be converted in the future.

Reginacork does not categorise feedstock as compliant, when:

- Prior to the harvesting operations, land owners have managed their wood lands insufficiently;
- The harvesting operations do not comply with the requirements on sustainability (SBP Standard 1)
- If future management of the land will not comply with the requirements on sustainability (SBP Standard 1), for example, because land conversion to urban use is planned

Whenever violations of the FSC Controlled Wood are found, such as violation of HCVs, the feedstock is not accepted as FSC Controlled Wood by Reginacork. Violations of the SBP SBE indicators withhold volumes to be accepted as 'SBP-compliant feedstock' (it is recorded as 'SBP-controlled feedstock').

6 Stakeholder consultation

The risk assessment has been sent to many stakeholders and leading experts in nature conservation and forestry (more than 100 relevant stakeholders were contacted). The stakeholder consultation was open from 3 November 2017 till 4 December 2018.

Reginacork open's a new stakeholder consultation on 17 March 2018, using Portuguese and English language on every documents (SBE, SBR, email) open till 13 April 2018.

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

Country: N/A

Specified risk indicator: N/A

Specific risk description:

Mitigation measure:

Country: Portugal

Specified risk indicator: 1.1.2 Feedstock can be traced back to the defined Supply Base.

Specific risk description: The Portuguese timber industry imports much pine raw material, mostly from Spain. There are several documents that should accompany raw material supply and identify the origin of the raw material. See also indicator 1.2.1 below.

Mitigation measure: Reginacork does not buy any wood from wood suppliers without a valid company registration and delivery documentation indicating the place of harvest. The Due Diligence System and the 'Procedure on the legality and origin of raw material' state appropriate control systems.

See also indicator 1.2.1 below.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 1.2.1 The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.

Specific risk description: Reginacork does not buy any wood from wood suppliers without a valid company registration, nor from wood lands, of which the owner rights are disputed. Any dispute concerning the ownership of the wood needs to be investigated and solved first. 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: a. Cadastral data are unavailable; b. The land will be impounded by the government; c. There are complaints about the land owner, or the harvest operation. In these cases, the internal

procedure 'Procedure on the legality and origin of raw material' is activated.

Mitigation measure:

Next to a lack of cadastral data on 43% of all lands, and the difficult situation of many landowners with small parcels in Portugal, for practical reasons landowners sometimes sell or transfer (inherit) parts of their property without registering the change to the government, because of the complexity. Therefore there are discrepancies between registered and actual ownership rights. Wood lands can also be impounded by the government (if the landowner has debts). Reginacork does not buy any wood from wood suppliers without a valid company registration, nor from wood lands, of which the owner rights are disputed. Any dispute concerning the ownership of the feedstock needs to be solved first.

When starting business relationship with the owner or a wood supplier, Reginacork investigates if geometric cadastre is 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.

In these cases, the internal procedure 'Procedure on the legality and origin of raw material' is activated.

The Due Diligence System and the 'Procedure on the legality and origin of raw material' state appropriate control systems.

The following requirements are met:

- Identification of the plot / area ;
- Identification of the owner (citizen card);
- Proof of the relationship between the seller and the land in question;
- Formalization of the business through a purchase and sale agreement between the parties;
- Mapping;
- Invoice and bankpayment.
- Check owner of bank account.

- Caderneta Predial Rustica is demanded.

In addition to the information collected, at least one site visit is always conducted with the owner or his representative, where information is taken about:

- Type of vegetation / species;
- Ground boundaries / Confrontations;
- Accesses.

This procedure also indicates the resolution of grievances and disputes, including those relating to tenure and land use rights to forest (or land) management practices and working conditions.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

Specific risk description: In chapter 7 of this report a list of websites is given for identifying and mapping the HCVs. See indicator 2.1.2. for more information.

Mitigation measure: The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. All used material is traceable to its origin through the harvest manifests and transport guides. All suppliers have to comply with the laws in force, which are supervised by the Tax Authority and the ICNF (Please see the file 'Plano Regional de Ordenamento Florestal' 'Documentation point 4 'cartografia síntese' (ICNF) for each region). 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.

Reginacork identifies and maps areas with high conservation values (HCVs). HCV 1, 3, 4, and 5 were assessed to have a specified risk. Extra effort is needed to identify and map these values. Internet sources, as well as the local situation needs to be studied.

Below the main sources of information, used to prepare the identification of these values for our harvesting teams. The forestry specialist evaluate every plot before the harvesting operations begin. Reginacork inspects the suppliers and harvesting areas.

HCV 1 – Species diversity:

- Ø Classified areas: <http://www.icnf.pt/portal/naturaclas/cart>
- Ø Protected area plans: <http://www.icnf.pt/portal/naturaclas/ordgest/poap>
- Ø Endangered species: <http://www.icnf.pt/portal/naturaclas/patrinatur/especies>
- Ø Endemic species:
http://naturdata.com/index.php?option=com_content&view=article&id=78&Itemid=60
- Ø Digital mapping information from the Manual das Linhas Eléctricas [Manual of Electric Lines] (ICNB 2008)
- Ø Important Bird Areas of Portugal at: <http://ibas-terrestres.spea.pt/>
- > Regional Forest Plans (PROF): <http://www.icnf.pt/portal/florestas/profs>

HCV 3 – Ecosystems and habitats:

- Ø Habitats Directive (2007-2012)
- Ø Rede Natura 2000 database: <http://www.icnf.pt/portal/naturaclas/rn2000>
- Ø Important Bird Areas of Portugal at: <http://ibas-terrestres.spea.pt/>
- Ø Convention on Biological Diversity (CBD) via DL no. 21/93, dated 29 June

HCV 4 – Critical ecosystem services & HCV 5 – Community needs:

- Ø Habeas-Hotspot Areas for Biodiversity and Ecosystem Services
http://www.habeas-med.org/webgis/pt_en/

Forests located in critical areas - defined and mapped in REN-National Ecological Reserve.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.1.2 The BP 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.

Specific risk description: 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. Special attention should

be given to the National System of Classified Areas (SNAC) and to Important Bird and Biodiversity Areas (IBAs). See 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, Reginacork 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. The Forest Engineer of Reginacork checks the environmental assessment and does field inspections. The checks and inspections are recorded. The habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports. See below, indicator 2.2.3. HCV 4 – Critical ecosystem services & HCV 5 – Community needs This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated for each region by the Regional Forestry Management Plan (PROF). There are no indigenous people in Portugal, but it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). Building fences around forests is most of the time undesirable. See below, indicators 2.2.2, 2.2.3, 2.4.1 and 2.5.1. Indicator 2.6.1 functions as a safety net.

Mitigation measure:

The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. All used material is traceable to its origin through the harvest manifests and transport guides. All suppliers have to comply with the laws in force, which are supervised by the Tax Authority and the ICNF (Please see the file 'Plano Regional de Ordenamento Florestal' 'Documentation point 4 'cartografia síntese' (ICNF) for each region). Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas and biotopes important to biodiversity, which can be classified as priority species' habitats.

Reginacork identifies and addresses potential threats to forests and other areas with high conservation values (HCVs). HCV 1, 3, 4, and 6 were assessed to have a specified risk.

Reginacork ensures:

- mapping of the harvesting plot,
- identification of the owner rights,
- harvesting according to the technical rules sustainable forest management,
- best practices, respecting environmental and safety rules,
- cleaning of waste from plantations
- tree species (no genetically modified trees)

The forestry specialist evaluate every plot before the harvesting operations begin.

Reginacork inspects the suppliers and harvesting. Reginacork keeps records of field inspections and monitoring results.

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, the supplier Reginacork 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. The forest specialist of Reginacork checks the environmental assessment and does field inspections. The inspections are recorded.

See also below, indicator 2.2.3

HCV 4 – Critical ecosystem services & HCV 5 – Community needs

This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated for each region by the Regional Forestry Management Plan (PROF). This point is evaluated and recorded before the forest operations commence. Caution and best practises are applied. Clear cuts are reduced to the maximum size indicated in the PROFs, or even further, if the environmental aspects, such as hillslopes, require special attention.

There are no indigenous people in Portugal, but it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). The legal right to passing the property must be respected.

See above indicator 2.1.1.

See below, indicators 2.2.2, 2.2.3, 2.2.6, 2.4.1 and 2.5.1 (and 2.6.1 as 'safety net').

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.1.3 The BP 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.

Specific risk description: Reginacork considers all pine stands as forests and eucalyptus stands as plantations. Reginacork checks if forests have been changed to plantations. There is a specified risk that this indicator is not met. There are no assurances, new eucalyptus plantations from after Jan. 2008 are not already maintained or harvested. First maintenance cuts are done after 8 years and the present forest fires result in instant harvesting of plantations. Besides, poplar and other tree species can be considered a plantation and the new law proposal only covers Eucalyptus. 21 March 2017, the Minister Council approved a law proposal that reviews the Legal Regime of Arborisation and Reforestation Actions. It blocks the expansion of the eucalyptus plantation areas, allowing new plantations only as compensation for areas previously occupied by eucalyptus and currently abandoned. It will be mandatory that the areas previously occupied by this species shall be cleaned and used for other agricultural or forestry activities.

Mitigation measure: Reginacork considers all pine stands as forests and eucalyptus and Poplar stands as plantations. Reginacork checks if forests have been changed to (eucalyptus) or Poplar plantations after 2008.

When a eucalyptus or and Poplar plantation is cut the history of the plantation is investigated. First the age of the plantation is determined. If could be form after Jan. 2008, the land owner and/or residents are questioned, and the plot is searched for old tree stumps.

Reginacork always demands a field study assessment by the forestry specialist. Reginacork checks the assessment of its suppliers and keeps records on monitoring harvesting plots.

There are no assurances, new eucalyptus plantations from after January 2008 are not already maintained or harvested. Moreover, the forest fires result in instant harvesting of plantations, regardless of their age. Besides, poplar and other tree species can be considered a plantation and the new law only covers Eucalyptus.

In practise there will be many issues with regard to this indicator on land conversion in the future as well. The government has too little information on the present landcover and too little capacity to implement the new legislation in full. For example, after a forest fire, it will be difficult to determine if illegal conversion to plantations are taking place, regarding

the many effected woodland parcels and timeframe for regenerating forest areas. Besides, eucalyptus plantations can result in aggressive natural regeneration after forest fires, and in that case, little can be done to avoid conversion of neighbouring plots.

The conversion of forests to urban and agricultural use is significant. In total, the forest area decreased by 150 611 ha (between 1995 and 2010, according to the 6th National Forest Inventory of the ICNF). Over the last decades, Portugal has a negative trend concerning forest area. The ICNF, however, states that the increase of wood lands excels the decline in forests. FAO statistics (2016) show a decrease in forest and agricultural area in Portugal.

The new law on restricting conversion to eucalyptus plantations does not safeguard this issue sufficiently.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.2.1 The BP 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.

Specific risk description: Sometimes no forest plan is available (no PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification). Additional assessments of environmental impacts need to be made and recorded before harvest. See also indicators 2.2.2, 2.2.3, 2.2.4, and 2.4.2.

Mitigation measure: There is a specified risk on this point, mainly in case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification). Special attention deserve areas with dimensions below the minimum threshold for mandatory Forest Management Plan (refer to PROF) and outside SNAC, as also areas where PGF is mandatory or within SNAC.

Reginacork makes an 'Evaluation of the risks and possible impacts of harvesting operations' (EoR) on sites related to the SBE program.

The EoR and the field study of the supplier evaluate:

- The possible economical, ecological and social impact of the forest operations including its surroundings. Harvesting operations can be changed to avoid negative impacts.

- The quality of the management (by the land owner) prior to harvesting and regeneration plan.

Indicators 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2 include relevant management measures which are checked.

Reginacork monitors the plots to be harvested intensively and and the performed Risk Mitigation Measures.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.2.2 The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b)

Specific risk description: In some regions, there is the problem of degradation of (poor) soils due to previous land-use practices and climate change.

Mitigation measure: Before harvesting operations commence the plot is evaluated on this point and records are kept. Best forestry practises are applied. Maps can be obtained from 'Reserva Ecológica Nacional' (REN).

Reginacork makes an Evaluation of the risks and possible impacts of harvesting operations (EoR) and conducts field study with the help of forestry specialist. The assessments address the specified risk on soil degradation: Best practices regarding harvesting operations have to be applied.

- a. Low intensity of forestry, selective cuttings and small clear cuts of maximally 5 ha. were needed considering the soil and groundwater level.
- b. Regeneration focusses on tree species that maintain or improve soil quality
- c. Leave nutrients in the forests, mainly the green fraction of forest residues (on the other hand other forest residues need to be cleared to prevent forest fires.
- d. Do not operate near-water areas.

For example, on dry locations (elevated grounds or on slopes) selective cuttings are required, because the ground gets less direct impact of the sun and the forest and (natural) regeneration can maintain soil quality. On other locations (small) clear cuts can sometimes have the advantage that several kinds of broadleaved trees regenerate naturally, what improves

soil quality. After clear cuts, the groundwater level can rise, what sometimes is an advantage, sometimes a disadvantage.

Poor soil quality can lead to erosion, etc; this indicator is related to indicator 2.2.6.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country:	Portugal
Specified risk indicator:	2.2.3 The BP 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).
Specific risk description:	In Portugal, key ecosystems and habitats are mostly located in Protected areas and in Classified Areas (Natura 2000). However, approximately 2/3 of classified areas are not included in protected areas of the National Network of Protected Areas. Besides, there are key ecosystems and habitats occurring outside Protected and Classified areas.
Mitigation measure:	<p>Reginacork prepares (publicly available) data on ecosystems and habitats (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats) with the help of forestry specialist. This information is given to all feedstock suppliers. Feedstock suppliers are provided with training material to recognise key ecosystems and habitats.</p> <p>Most importantly, the forestry specialist inspect visually the harvesting plot and report on the results. Key ecosystems and habitats are indicated on the harvesting maps. Best practises are used to protect the high ecological values. The harvesting operations conserve these objects, mainly by not cutting the woodland or forest directly around them. In exceptional cases, low intensity harvesting operations are possible without damaging these objects.</p> <ol style="list-style-type: none">Study key ecosystems on the harvesting plot, conserve areas of ecological valueStudy flora and fauna at the harvesting plot, nests, breeding areas, anthills conserve protected tree species and habitatsDo not operate near-water areas. <p>Reginacork makes an Evaluation of the risks and possible impacts of harvesting operations (EoR) and conducts the field study. Reginacork monitors the harvesting operations of its feedstock suppliers (see also chapter 5 on 'SBE program approved feedstock suppliers').</p>

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Specific risk description: About 3,600 species of plants can be found in Portugal. There are 69 taxa of terrestrial mammals, a total of 313 bird species, of which around 35% are threatened in some ways, and 17 amphibians and 34 reptile species that are present in Portugal. Some of the main threats to the biological diversity of Portugal include: alteration or destruction of habitats; pollution; overexploitation; invasive alien species; urbanization and fires.

Mitigation measure:

- 1) Reginacork prepares (publicly available) data on biodiversity researches and programs, red lists of Portugal, CITES, etc (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats, HCV 1 – Species diversity). This information is given to all feedstock suppliers.
- 2) Feedstock suppliers is provided by the training material to recognise the protected biodiversity and how to conserve them. These species are often related (it can be indicator species) to key ecosystems which need conserved (previous indicator).
- 3) The forestry specialist inspect visually the plot, make photos and report on the results. Endangered flora and fauna are indicated on the harvesting maps.
- 4) Best practises are used, including measures to conserve and increase biodiversity (for example, standing dead wood, prescribed burning and other disturbances improving the conditions for endangered species flora and fauna).
- 5) Reginacork monitors the harvesting operations of its feedstock suppliers (see also chapter 5 on 'SBE program approved feedstock suppliers').

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.2.6 The BP has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).

Specific risk description: Reginacork considers the landscape where the harvest operations are executed, including hill slopes and streams that can overflow and

demands the same from its feedstock suppliers. Clear cutting (of several ha) is avoided in areas where all conditions are at high risk for soil erosion. In these cases, is followed the ICNF Handbook for forest best practices: 'In the areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.' Best practises regarding harvesting operations are required to comply with the requirements of SBE program.

Mitigation measure:

- 1) Reginacork studies data (from publicly available information, researches and programs) for its harvesting teams on ground water, surface water and steams (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats, HCV 1 – Species diversity). This information is given to the feedstock suppliers.
- 2) Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water.
- 3) The forestry specialist inspect visually the plot and the hill slopes and streams in the surroundings and report on the results.
- 4) Best practises are used, including forest management measures that protect the plot against too high or low ground water levels, and erosion (surface water moving to quick or too slow). Related to a too quick runoff of surface water, streams in the surroundings are considered. The landscape where the harvest operations are executed is considered, including hill slopes and streams that can overflow. In areas vulnerable to water damage, the maximal contiguous clear-cut area is 5 ha.
- 5) Reginacork monitors the harvesting operations of its feedstock suppliers. These best practises are required to comply with the SBE program requirements.

The best practices follow the 'ICNF Handbook for forest best practices': 'In areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.'

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country:

Portugal

Specified risk indicator: 2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).

Specific risk description: This is not covered sufficiently. The National Strategy for Forests states that the focus on the professionalization and training of the different actors in the forestry sector is of key importance for increasing the competitiveness and, thereby, the development of the sector.

Mitigation measure: Reginacork trains its personnel on all relevant aspects and demands the same from its feedstock suppliers.

During the feedstock supplier's office inspections of Reginacork, are checked: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.4.1 The BP has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).

Specific risk description: There is a specified risk for insufficient assessment of the impact of harvesting operations that replace (destroy) the existing forest ecosystem. In the NRAs are highlighted the 'health, vitality and other services provided by forest ecosystems' to the forest ecosystems. Reginacork underlines that these services can be of importance to the local population. Forests can be of importance to the environment around the forests, they can reduce the impact of extreme weather, and reduce the impact of air-pollution, and noise. For example, it takes only one dense forest stand to improve the perception of an area / to cover up 'visual pollution'. Forest (ecosystems) can be essential for: a. Breaking hard winds and rainfall (roads and houses); b. Recreation in and around the forests; c. Hunting, fishing and gathering of berries and mushrooms; d. Agriculture near the forests (this is of importance in Portugal). The use of wild products by communities is common practise in Portugal (mushrooms, asparagus, snails, besides fishing on public waters).

Mitigation measure: 1) Forestry specialist is trained to recognise health, vitality and other services provided by forest ecosystems.

2) Forestry specialist inspects visually the plot and the surroundings and report on the results (make photos). Reginacork demands a field study from forestry specialist, which addresses these environmental services.

Best practises are used by the suppliers. Many of the relevant risks are addressed by other indicators (with specified risk), such as indicators 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2.

3) The possible impacts of the harvest operations on the forest and its surroundings are assessed (before the harvesting operations commence), not only in relation to the environment, but also in relation to the interests of the local population, farmers, and people interested in recreation. Reginacork underlines that these services can be of importance to the local population. Forests can be of importance to the environment around the forests, they can reduce the impact of extreme weather, and reduce the impact of air and 'visual' pollution, as well as noise.

Forest services that need to be considered:

- a. Breaking hard winds and rainfall (regarding roads and houses);
- b. Recreation in and around the forests;
- c. Hunting, fishing and gathering of berries and mushrooms;
- d. Agriculture near the forests (this is of importance in Portugal).

4) Reginacork monitors the harvesting operations of its feedstock suppliers. It checks with stakeholders if there are any complaints (see also below 2.6.1).

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.4.2 The BP has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).

Specific risk description: Pests, diseases and fires are today the greatest perceived risks in the Portuguese forest sector. As stated in previous indicator biotic and abiotic risks are supported by disturbances affect in 2011 24% of the forest area, generated by a regressive vicious cycle that combines fire, 'seca', pests, diseases and invasive species.

Mitigation measure: Reginacork studies data (from publicly available information, researches and programs) for harvesting teams on risks and regulations regarding fires, pests and diseases. This information is given to all feedstock suppliers.

2) Feedstock suppliers are trained to recognise poor forest management and on mitigation measures.

3) Forestry specialist inspect visually the plot and make photos. Forestry specialist inspect if the plot was managed well on these points, if not, the feedstock is not considered compliant to the SBE program (will not become SBP-compliant feedstock).

4) Best practises are used by the harvesting teams regarding management of fires, pests and diseases. These include:

- a. Traps for NMP (Pine Wood Nematode *Bursaphelenchus xylophilus*, and its vector the insect *Monochamus galloprovincialis*);
- b. Use of net (cover) during transport of wood in the period insect vector NMP;
- c. Phytopharmaceutical application on the ground;
- d. Crushing of the same wood with no lead time of 2, 3 days (wood with symptoms);
- e. Ensure that all suppliers have an economic operator registration;
- f. Reginacork only accepts the raw material with the manifest;
- g. Cleaning of all utensils and machinery used in the handling of woody material;
- h. Application of good forest practices to avoid a spread of this pest.

5) Reginacork monitors the harvesting operations of its feedstock suppliers. Sufficient management by the forest owner, and best practises by the harvesting teams are required to comply with the SBE program requirements.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.5.1 The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected (CPET S9).

Specific risk description: There is a specified risk that the rights of local communities could be violated, but it is an exceptional one. If the land area to be harvested is fenced, moreover, if it has been recently fenced, the opinion of residents is assessed. Abuse of fences, blocked roads, and inadequate signs makes the feedstock non-compliant to the requirements of the SBE program. In Portugal entering private forest lands is not considered an invasion and the

use of wild products is common practise. There are no indigenous people in Portugal.

Mitigation measure:

- 1) Forestry specialist identifies possible issues with legal, customary and traditional tenure and use rights.
- 2) The harvesting teams inspect visually the plot, make photos and report on the results. If the land area to be harvested is fenced, moreover, if it has been fenced recently, the opinion of residents is assessed. Abuse of fences, blocked roads, and inadequate signs makes the feedstock non-compliant the SBE program.
- 3) Reginacork monitors the harvesting operations of its feedstock suppliers. By addressing sustainable forest management and making an extra effort on indicators 1.2.1 and 2.6.1, Reginacork integrates respecting the interests of local people into its main procedures.

There are no indigenous people in Portugal nor minorities dependant on forests for their livelihood.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country:

Portugal

Specified risk indicator:

2.6.1 The BP has implemented appropriate control systems and procedures for verifying that 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.

Specific risk description:

There are a very large number of land owners with extremely small forested properties in Portugal. Some regions of the country the lack cadastral data, which gives problems on assessing the boundaries of harvesting plots. Cultural and social interests could be overlooked. The aim is to track down and solve grievances and disputes before the harvesting operations commence, with special attention to the indicators, which are categorised 'specified risk'.

Mitigation measure:

- 1) Reginacork actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before the harvesting operations commence (or not to buy from the disputed plots).
- 2) Reginacork makes clear to the local population that any complaint or comment related to feedstock supply is taken very seriously (via website and other communications). Reginacork takes seriously any complaint of any person or organisation considering harvesting operations. This also ensures sufficient performance on respecting local interests (HCV 5) and cultural values (HCV 6).
- 3) Reginacork has a complaint procedure and keep records. The feedstock suppliers are also required to actively implement a complaint

procedure and keep records. Reginacork demands a field study from all feedstock suppliers, in which the interests of local population are assessed.

4) Reginacork monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. It checks with relevant stakeholders, such as land owners, if no comments were submitted, or if the complaints were dealt with sufficiently.

5) The results of the inspections of Reginacork have direct influence on the 'SBE program approved' status of feedstock suppliers.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 2.8.1 The BP 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).

Specific risk description: International Trade Union Confederation (IUTC) ranks countries against 97 indicators to assess where workers' rights are best protected. Portugal has a rating of 3 (from 1 to 5+). This score is given for countries where: (There are) 'Regular violation of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.'

Mitigation measure: Reginacork has a rigorous control system and adequate procedures on the health and safety of forest workers. Reginacork (contractually) demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring inspections.

During the feedstock supplier's office inspections of Reginacork are checked: the training records, workforce, and the hiring of specialists in forest security. Protective equipment and knowledge of personnel is inspected during site visits.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

Country: Portugal

Specified risk indicator: 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.

Specific risk description: There is a specified risk of reducing high carbon stocks, but it is not a prominent one. This risk has a regional to local character and is specifically related to the risks mentioned in the following indicators: a. 2.1.3 (land conversion); b. 2.2.2 (degradation of grounds). For example, the conversion of forests to urban use is significant (28 thousand ha). In total,

the forest area decreased by 150 611 ha, 85% of these forest lands were converted to 'weeds and pastures' (between 1995 and 2010, according to the ICNF). Forests owners can choose to start an orchard, governments can decide to extend the area of urban lands. This occurs regularly in Portugal. When forests are converted to other land use the carbon stock is lost. One of the 5 principles of FSC Controlled Wood states that wood from converted land is not acceptable, in practise, however, this point is not evaluated by wood procuring companies, which normally consider all procurements from Portugal at least FSC CW. Extra monitoring is needed.

Mitigation measure:

- 1) Reginacork studies data (from publicly available information, researches and programs) on aspects that can decrease the carbon stock (including regularly lit forest fires).
- 2) The forestry specialist inspects visually the plot and makes photos.
- 3) Reginacork checks plots and harvesting operations.

This risk is partly covered by the mitigation measures mentioned in the following indicators:

- a. 2.1.3 (land conversion),
- b. 2.2.2 (degradation of grounds).

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

7.2 Monitoring and outcomes

Mitigation measures prove to be sufficiently effective. No new risk ratings were established for SBP indicators during the last year. In the last years Reginacork did not witness issues on indicators 1.1.2; 2.4.1.; and 2.5.1., but will maintain all specified risk categorisation till the end of the certification period. 22 plots were studied and checked, of which 20 plots were accepted as SBP-compliant biomass, and 2 stayed on the level of SBP-controlled feedstock supply. Most time is spent on the legality aspects of small-holders, the field inspection has to be done by the Forest Engineer of Reginacork who studies whole plots before and during harvesting, checking the risks and agreeing on the mitigation measures does not take much time, however. The teams chipping the forest residues employed by Reginacork work according the requirements. The forest teams are checked frequently. Of these forest harvesting teams 2 are working excellently. Although not all plots were accepted, this gave, together with the incoming FSC certified feedstock, sufficient feedstock for Reginacork to fulfill its commercial obligations. The Forest Engineer does not restrict herself to check only the bigger plots, or the easier evaluation plots. Due care of performance is studied for the whole feedstock supply chain, and improvement is pursued in general. Considering the category "minor, unintentional non-conformances", these also result in corrective and mitigation actions, but in some cases Reginacork considers it acceptable and will accept the feedstock as SBP-compliant feedstock if the supplier has shown years of compliance before, and the issue was an exceptional case. By preparing information profoundly by the forestry specialist and by implementing best practices regarding the harvesting operations, a substantial share of the feedstock could comply with the SBE program requirements. All suppliers have a forestry guide and received internal guidance from Reginacork. All harvesting personnel have been instructed to respect the requirements of the guide. Reginacork inspects all

harvesting teams and feedstock suppliers. Reginacork constantly monitors its feedstock suppliers to see if they comply with the mitigation measures. The 'SBE program approved' status of suppliers is directly suspended or withdrawn if a major non-conformity has been found.

The feedstock is rejected from being SBP-compliant feedstock if it is not possible to demonstrate compliance with this risk indicator after mitigation measures.

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? No

9 Review of report

9.1 Peer review

The report has taken into consideration the drafts of the SBP NRA for Portugal and was sent to a large stakeholder group for consultation in year 2018. Current updates didn't weaker the system, but strengthened it. For example, a forestry specialist was hired to perform the field assessment. Therefore, a peer review was not necessary.

9.2 Public or additional reviews

The SBR and SBE was sent to a large group of stakeholders for review (more information in Chapter 6) in year 2018.

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Sofia Cardoso	Forest engineer	2021-03-12
	Name	Title	Date
Report Prepared by:	Joana Carvalho	Consultant	2021-03-12
	Name	Title	Date
<p>The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.</p>			
Report approved by:	Carlos Garcia Ascenso	Administrator	2021-03-12
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

	Indicator
1.1.1	The BP Supply Base is defined and mapped.
Finding	The SBE scope is 'Continental Portugal', it is concluded that there is low risk in relation to the definition and mapping of the supply base. Despite the incomplete geometric cadastre of the rural real estate, maps are available, from several sources at an appropriate scale to define geographically the origin of the supply base. The information available from delivery notes, felling manifests, invoices, among other legal documents, which contain the origin of the raw material (county, village) serves as definition of the source which enables, supported on maps available, the mapping of the supply base. Reginacork receives nearly all pine, eucalyptus, poplar from a 60 km radius around the plant, by trucks/lorries. Unloading and transport documents of the raw material include its designation, its origin is legally documented (manifest), identification of the suppliers, loggers, transport companies and documentation of the lorries. This is described below in this document.
Means of Verification	Delivery notes, felling manifests, invoices, among other legal documents. • The scope is defined and justified; • Maps to the appropriate scale are available; • Key personnel demonstrate an understanding of the supply base
Evidence Reviewed	Delivery notes, felling manifests, invoices, among other legal documents. Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) Inventário Florestal Nacional IFN5 (FloreStat_IFN5); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin) Inventário Florestal Nacional IFN6, preliminary results (IFN6 - Resultados preliminares.pdf); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn6) Estatísticas Agrícolas 2015.xls, Instituto Nacional Estatística (https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=271434407&PUBLICACOESmodo=2) Decreto lei 16-2009 planos gestão florestal (https://dre.pt/application/dir/pdf1sdip/2009/01/00900/0026800273.pdf); ICNF portal (http://www.icnf.pt/portal/icnf/legisl/legislacao/2009/decreto-lei-n.o-16-2009-de-14-de-janeiro.-d.r.-n.o-9-serie-i) Normas Técnicas Planos Gestão Florestal (http://www.icnf.pt/portal/florestas/gf/pgf/resource/doc/manual/normas-tecn-PGF-AFN.pdf)
Risk Rating	Low Risk
Comment or Mitigation Measure	Reginacork selects areas within the Supply Base relevant for its SBE program, which are relatively convenient to assess, because of a clear management situation, for example the availability of management plants (like ZIFs).

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	<p>The pellets are at least FSC CW and SBP controlled biomass. Inspections from government are in place and operators must apply DDS to justify legality of timber. Reginacork executes an FSC CW Due Diligence system. Reginacork receives the document 'Manifesto' (a felling manifest is obligatory for all common commercial harvesting activities and shall be submitted to forest authorities (ICNF) up to 30 days after the felling operation) for all pine deliveries. We check the validity of these documents. The felling manifest, as well as the NMP (Pine Wood Nematode) manifest contain the following information: • Operator or service provider information • Localization of the feedstock until the freguesia (small village) level • Quantities harvested • Others In Portugal operators take steps to ensure the legality of their suppliers, which allow compliance with the requirements of forest legislation. For harvesting operations, law No. 174/88 of 17 May is followed. To start any operations in the forest, the document named Manifest is filled and submitted to Direcção Geral dos Recursos Florestais (General Management of Forest Resources). Legal requirements include having the right and valid invoice or transport documentation are in place: • Regular invoice for trading operation or transport documentation or waybill, or devolution note • In case of pine or conifers timber the transporter must have an Economic Operator Registry and a phytosanitary Manifest for each feeling (if one feelings is transported several times it is mandatory to copy the manifest for all the transportations). Information obtained from Centro Pinus (non-profit association for key players of Pine based industry), INE and others shows that pine wood consumption of timber industry in 2014 was 4,360,000 m3 (1,300,000 m3 saw mill industry, 30%; 300,000 m3 biomass, 7% and 1,400,000 m3 pellets, 32% and 1.360.000 other uses not relevant for pellets industry). However, in 2014 there was available only 2,247,000 m3 of pine wood from Mainland Portugal (Pinus pinaster). As an obvious conclusion a lot of imported pine comes into Portuguese timber industry in 2014, mostly from Spain. Similar situation occurs for Eucalyptus in pulp and paper industry, which low quality parts may be also used in biomass industry. Information from Annual Bulletin of CELPA (Paper Industry Association) states that in 2014 it was imported 45% of total eucalyptus wood procured by paper industry (2,415,000 m3 imported), in its vast majority round wood from Spain and at minor extent, chips from South America or Africa (usually FSC/PEFC certified or controlled). SBP Framework Supply Base Report Template for BPs Annex 1 Page 4 Based on the fact that relevant volumes of imported material come into Portugal annually it is noted that imported material it is not covered by this RRA. A felling manifest is obligatory for all common commercial harvesting activities and shall be submitted to forest authorities (ICNF) up to 30 days after the felling operation. A National Action Plan for Control of Pinus Wilt Disease/Nemátodo-da-madeira-do-pinheiro (NMP) (Bursaphelenchus xylophilus) and its vector insect Monochamus galloprovincialis is in place and there is an obligation of previous communication of any felling and/or transportation of wood affected by this disease. The document (phytosanitary manifest) must accompany material until the arrival to industrial processing facilities. This is mostly focused on Pinus pinaster (23% of forest area) main source for BP. The felling manifest, as well as the NMP manifest contain the following information: - Operator or service provider information - Localization of the feedstock until the freguesia (small village) level - Quantities harvested - Others Simultaneously, approval documentation is required for specific operations on cork and holm Oak including cutting and pruning, Holly cutting, and also premature cuttings of Eucalyptus, Pinus pinaster or riparian vegetation. Since 2013 and the introduction of the EUTR laws, operators are required to register their activities on a Digital Platform managed by forest authorities (ICNF). Inspections from government are in place and operators must apply DDS to justify legality of timber. Regarding transportation, legal requirements include having the right</p>

	<p>and valid invoice or transport documentation are in place: • Regular invoice for trading operation or transport documentation or waybill, or devolution note; • CRM on international transportation • In the case of pine or conifers timber the transporter must have an Economic Operator Registry and a phytosanitary Manifest for each felling (if one felling is transported several times it is mandatory to copy the manifest for all the transportations). The issuance of required transport and sales documents is well understood and regulations are largely adhered to. Inspections are common at Portuguese roads and enforcement of regulations is considered adequate. Felling phytosanitary manifest (NMP manifest) includes identification of the origin of the felling. Also documentation for transportation identifies the origin of the transport which could be useful in case of direct transport to BP facilities and in any case is useful in the traceability of material. Both are the most common ways to trace back to origin even if the origin area is not the forest land itself but the freguesia (minimum administrative division) where forest land is included. Several public authorities, such as SEPNA (Department of National Guard responsible for environment surveillance), ASAE (National Authority for the Food and Economic Safety) and ICNF, organize regular surveillance activities to verify the compliance of forest operators and wood transportation companies with the dispositions of SBP Framework Supply Base Report Template for BPs Annex 1 Page 5 the National Action Plan for Control of Pinus Wilt Disease. In 2016, SEPNA inspected 24'535 vehicles carrying wood logs and pallets and identified 424 infractions (1,7%) from which 295 refer to the lack of NMP manifest (1,2%) [Activity Report 2016]. There are systems in place to trace the feedstock primary origin back to the forest stand but it is possible to do so if there are elements in the manifests or transportation documents, which could be used in the cadastral system (as the article number and section) or geographic coordinates in areas without cadastral system. As evidenced by the low Corruption Perception Index of Portugal (63) and the high level of law enforcement documents such as invoices and transport documents are considered reliable sources of information. On the above background, the risk related to the traceability of feedstock back to the supply base is evaluated to be specified due to the lack of compliance of forest operators in delivering all the mandatory documents for every type of raw material delivered, specially, the felling manifest for species other than coniferous. The felling manifest plays an important role for hardwood raw material. In the case of coniferous raw material, the implementation of the phytosanitary felling manifest is widely spread and verified regularly by SEPNA and ASAE. Procedures to ensure the delivery of all mandatory documents shall be put in place.</p>
<p>Means of Verification</p>	<p>Delivery notes, felling manifests, invoices, among other legal documents. Copy of phytosanitary manifests (felling and/or transportation) for all conifers with geographic elements (cadastral and/or coordinates). Copy of delivered felling manifest to Forest Authorities (ICNF) for all commercial harvestings with geographic elements (cadastral and/or coordinates). Invoices, waybills, transport/shipping documents. The existence of a strong legal framework in the region. Feedstock inputs, including species and volumes, are consistent with the defined Supply Base. Transport documentation and goods-in records are consistent with the defined scope of the SBE.</p>
<p>Evidence Reviewed</p>	<p>Delivery notes, felling manifests, invoices, among other legal documents. The issuance of required transport and sales documents is well understood and regulations are largely adhered to. Inspections are common at Portuguese roads and enforcement of regulations is seen to be good. Felling phytosanitary manifest includes identification of the origin of the felling. Also documentation for transportation identifies the origin of the transport which could be useful in case of direct transport. For all other species, Reginacork receives documents on every transport that takes place in the chain from the raw material supplier to Reginacork. The transport documents state: the name and address of the operator and the sender or receiver, the name and quantity/volume of the shipped product, the place of provenance of the raw material and the date of the shipment. The person responsible for the purchase of the raw material is SBP Framework Supply Base Report Template for BPs Annex 1 Page 6 constantly</p>

	<p>accompanying the loggers and ensuring these issues. Reginacork also has the contract agreement that is made with the forest owner which defines the plots where to operate. This way, the harvest team is under the responsibility of Reginacork. Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) Estatísticas Agrícolas 2015.xls, Instituto Nacional Estatística (https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=271434407&PUBLICACOESmodo=2) Boletim-Estatístico-da-Celpe-de-2014 (http://www.celpe.pt/wp-content/uploads/2016/09/Boletim_WEB_2015.pdf) Relatório-de-Characterização-da-Fileira-Florestal-2014 (http://www.aiff.org.pt/assets/Relatorio-de-Characterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf) Cutting Permission in Law n.º 33/96, at 17/08 (article 7th) https://dre.pt/application/dir/pdf1sdip/1996/08/190A00/25682573.pdf Fileira do Pinho: desafios e oportunidades (centroPINUS_JoaoGoncalves dados fileira pinho 2014.pdf); Centro Pinus (http://www.centropinus.org/index.php?lingua=1) Decreto lei 123-2015 nematodo do Pinheiro (https://dre.pt/application/file/67649256); ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/ag-bn/nmp) Declaração Retificação n.º 38/2015 de 01/09 do Decreto lei 123-2015 nematodo do Pinheiro (https://dre.pt/application/file/70144398) Decreto lei 174-1988 manifesto corte (https://dre.pt/application/file/374768); ICNF portal(http://www.icnf.pt/portal/icnf/serv/formularios/manif/man-cort-arr-arvor) Registo de Operador de Madeira e Derivados ICNF portal (http://www.icnf.pt/portal/florestas/fileiras/reg-op) Decreto Lei 198/2012 de 24/08 FATURAS E OUTROS DOCUMENTOS COM RELEVÂNCIA FISCAL (http://info.portaldasfinancas.gov.pt/NR/rdonlyres/907FD2F4-9A9C-485D-8A99-FD164BF9FCEC/0/Decreto-Lei%20n%20_198_2012_24_08.pdf)</p>
Risk Rating	Specified Risk
Comment or Mitigation Measure	Reginacork selects areas within the Supply Base relevant for its SBE program, which are relatively convenient to assess, because of a clear management situation, for example the availability of management plants (like ZIFs). Reginacork does not buy any wood from wood suppliers without a valid company registration and delivery documentation indicating the place of harvest. The Due Diligence System and the 'Procedure on the legality and origin of raw material' state appropriate control systems. See also indicator 1.2.1 below.

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	As described in previous indicators Primary Feedstock comes mainly from private properties. Reginacork has specialists visiting our suppliers and working on risk assessments and mitigation. By far most resources come directly from the forest. The Sawmills producing feedstock during timber processing, are sources of Secondary Feedstock. The main products provided from sawmill and other timber industry entities are sawdust and chips. Reginacork receives the 'Manifesto' and other legal documents on the origin of wood. Reginacork manages an FSC credit system and is SBP certified. Within the framework of our FSC company evaluation program we assess PEFC suppliers (before we start working with them). The evaluation can result in an FSC CW claim on the resources. There is no specific legislation regulating classification of

	wood/timber harvested in Portugal in terms of species, quantities or qualities. The fact that most of forests are productive and Eucalyptus, Pines and Cork Oak covers 78% of forest land, made that this issue is not perceived as a problem with national wood/timber. Industrial use of Eucalyptus and Pines ensure that they are adequately classified and measured. Felling manifests require identification of species and volumes and are obligatory for every forest species for industrial use. Since the supply chains are short, reliable information regarding the feedstock can be gathered in collaboration with the forest owners and other stakeholders. Thus accurate classification and description of type, species, and categorization into roundwood and residual wood material, and when required, the approximate proportion of roundwood from final felling, in accordance with SBP requirements is possible for Biomass Producers.
Means of Verification	Copy of delivered felling manifest to Forest Authorities (ICNF) for Pinus pinaster used in industrial purposes Invoices Transport/shipping documents, waybills Feedstock input records: document "RCK_06.15.00 Registo de Entrada Madeira".
Evidence Reviewed	Delivery notes, felling manifests, invoices, among other legal documents. Estrategia Nacional das Florestas (https://dre.pt/application/file/66432612); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) Inventario Florestal Nacional IFN6, preliminary results (IFN6 - Resultados preliminares.pdf); ICNF portal Decreto lei 174-1988 manifesto corte (https://dre.pt/application/file/374768); ICNF portal(http://www.icnf.pt/portal/icnf/serv/formularios/manif/man-cort-arr-arvor).
Risk Rating	Low Risk
Comment or Mitigation Measure	Checked in the forest and at the gate.

	Indicator
1.2.1	The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base.
Finding	The Wood Supply Manager knows all plots to be harvested or to be managed and knows in which regions there are no cadastral data / land records. In Portugal, around 97% of forest land is private (including land owned by individuals, communities and corporations). This proportion means that the most part of protected and classified areas are also private lands. Forest land tenure is based on one document (Description of the Land Registry) but several documents are used on the ground level as transitory or incomplete evidence, as the Description on the Land Registry is not updated for all lands. There are, however, regions (53% of territory) where there is a geometric cadastral survey of rural lands (Cadastró Geométrico da Propriedade Rústica) and so there is consistency between spatial and numeric information (DL 172/95). held by tax offices (matriz e secção da Caderneta Predial Rústica da repartição das finanças). In regions where there is no rural geometric cadastre (47% of the territory), the land tenure documents are based only on descriptions of boundaries and communications with neighbors. In case of failures or maintenance, the means are put on the ground in order to solve the situation. These means can be from the company itself or from the company representative of the equipment. In case of Complaint related to court, the person in charge of the company meets at the place of court with all parties involved (seller /

	<p>claimant or other). When the facts are proven and all parties are heard, the responsible person decides to adjust the business according to what happened. The closing of the complaint can be done in two ways: • If the claimant understands the purchase, the remaining portion. That is, a new buying process is opened where one makes the acquisition of what was cut by lapse together with what is standing; • The claimant does not accept to sell the remaining portion. The wood cut is evaluated and paid to the owner considering the occurrence as a payment of damages to the owner; Land use rights and management practices are covered and need to be deemed low risk before the Manifest document is issued to allow forest harvesting. Reginacork does not get involved in issues that must be settled by the suppliers (loggers and forest owners) when they have to ask to the Portuguese Forestry Authorities the permission to harvest, i.e., when it is harvested such type of issues must be resolved. Despite the difficulties and complexities concerning land tenure and management rights (mainly due to the absence of geometric information), there is no significant evidence in Reginacork of disputes or disputes about the issue.</p>
Means of Verification	<p>Suppliers must have an 'Economic operator registration. Reginacork only accepts feedstock delivered with 'Manifest'. Reginacork also checks if the feedstock suppliers fulfil all fiscal and legal obligations. Document of Reginacork 'Procedure on the legality and origin of raw material'. Description on the Land Registry (Descrição na Conservatória do Registo Predial) SBP Framework Supply Base Report Template for BPs Annex 1 Page 9 Content certificate matrix article of tax office (Certidão de teor do artigo de Matriz da repartição de finanças) & land notebook (Caderneta predial) is the fiscal document which confirms taxes payment. Judicial final and unappealable decision (Sentença judicial transitada em julgado). Notarial deed (Escritura notarial). Forest Renting/leasing contract (Contrato de Arrendamento Florestal) For Collective or Comercial entities the extract from the commercial register (Certidão do Registo Comercial) to prove the specific responsibilities of owners/managers/presidents Purchase documents. http://elearning.ipca.pt/1213/pluginfile.php/82971/mod_resource/content/1/sumarios_reais_11_12.pdf.</p>
Evidence Reviewed	<p>Government sources: Constitution (Constituição da República Portuguesa): http://www.parlamento.pt/Legislacao/Documents/constpt2005.pdf Cadastre at Direção Geral do Território: http://www.dgterritorio.pt/cadastro/cadastro_geometrico_da_propriedade_rustica_cgpr_consultar_seccoes_cadastrais/ Non-Government sources Transparency International's Corruption Perception Index 2014 at Transparency International -The global coalition against corruption – https://www.transparency.org/cpi2015/results Worldwide Governance Indicators Report at World bank: http://info.worldbank.org/governance/wgi/index.aspx#reports 'O cadastro e a propriedade rustica em Portugal';Fundação Francisco Manuel dos Santos e Rodrigo Sarmento de Beires, May/2013 (https://www.ffms.pt/upload/docs/o-cadastro-e-a-propriedade-rustica-em-portugal_yUM5ASBAUmUpHUlgJtp0A.pdf) 'Cadastro a prédios rústicos e urbanos em Portugal custaria 700 ME'; Lusa-Última hora 27/03/2014 in Revista Visão: (http://visao.sapo.pt/lusa/cadastro-a-predios-rusticos-e-urbanos-em-portugal-custaria-700-me=f774740).</p>
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>Reginacork does not buy wood from wood lands, of which the owner rights are unclear. Any unclarity/dispute concerning the ownership of the wood needs to be solved first. For example, areas can become ownerless and abandoned and some could try to take advantage of the situation before the land is impounded by the government. Reginacork does not buy any wood from wood suppliers without a valid company registration, nor from wood lands, of which the owner rights are disputed. Any dispute concerning the ownership of the wood needs to be solved first. Additional investigations are conducted by means of legal document research and</p>

	<p>extends to, for example, interviewing local stakeholders (owners of neighbouring wood lands) and local authorities, whenever:</p> <ul style="list-style-type: none"> • Cadastral data are unavailable; • The land will be impounded by the government; • There are complaints about the land owner, or the harvest operation. <p>In these cases, the internal procedure 'Procedure on the legality and origin of raw material' is activated. The Due Diligence System and the 'Procedure on the legality and origin of raw material' state appropriate control systems. In cases with doubt, mostly due to absent cadastral data, Reginacork decides to double-check if there are no legal issues to the harvest operations. All suppliers must have an 'Economic operator registration'. Reginacork only accepts feedstock delivered with 'Manifest' or other document that proves its origin. Reginacork also checks if the feedstock suppliers fulfil all fiscal and legal obligations. Reginacork applies an additional internal procedure on the acquisition of feedstock called: 'Procedure on the legality and origin of raw material'. The following requirements are met:</p> <ul style="list-style-type: none"> • Identification of the plot / area ; • Identification of the owner (citizen card); • Proof of the relationship between the seller and the land in question; • Formalization of the business through a purchase and sale agreement between the parties; Mapping; • Invoice and bankpayment. • Check owner of bank account. • Caderneta Predial Rustica is demanded. <p>In addition to the information collected, at least one site visit is always conducted with the owner or his representative, where information is taken about:</p> <ul style="list-style-type: none"> • Type of vegetation / species; • Ground boundaries / Confrontations; • Accesses. <p>This procedure also indicates the resolution of grievances and disputes, including those relating to tenure and land use rights to forest (or land) management practices and working conditions. Whenever any of the above occurs, the technical responsible is contacted and called to the location whenever necessary. If there are unsolved issues related to the feedstock the procurement does not take place.</p>
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	Indicator
1.3.1	The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.
Finding	<p>Forest biomass feedstock definition on Portuguese legislation is included on legal framework created both for dedicated energetic generation plants and for residues purposes. In the first case definition forest biomass, consists of the biodegradable fraction products, waste and residues from biologic origin from the forest or other plantations. For the residues purposes forest biomass is the vegetable matter from forestry and forestry waste, only including the material resulting from the improvement operations, including thinning and pruning, fuel management and harvesting of forest stands, as the branches, tree-tops, stumps, leaves, roots and bark. No permit is required for logging activities, including normal commercial silvicultural harvesting, final cuts and others. Only a harvesting written notice (manifesto) is obligatory for timber and cork for industrial use, submitted to forest authorities (ICNF) up to 30 days after the felling/extraction operation. Beside the specific operations listed above, a National Action Plan for Control of Pine Wilt Disease (NMP in PT) <i>Bursaphelenchus xylophilus</i> and its vector insect <i>Monochamus galloprovincialis</i> is in place. This mostly focuses in our case is <i>Pinus pinaster</i> (23% of all forest areas) but applies to all other host conifers (<i>Abies</i> spp., <i>Cedrus</i> spp., <i>Larix</i> spp., <i>Picea</i> spp., <i>Pinus</i> spp, <i>Pseudotsuga</i> spp., <i>Tsuga</i> spp) – with these species covering 8% of forests. For these species there is obligation of previous communication of any felling and/or transportation of wood affected by pest. This documentation (phytosanitary manifest) also must accompany material until the arrival to industrial processing facilities. Since the onset of the EUTR in 2013 enterprises classified as</p>

	<p>'Operators' under the regulation. so we have been the register for our activities on a Digital Platform managed by the Forest Authorities (ICNF) http://www.icnf.pt/portal/florestas/fileiras/reg-op#reg. In addition to the register, the company has a due diligence system in place for each wood/timber acquisition, which includes procedures for access to information, risk assessment and risk mitigation. To start any operations in the forest, the document named Manifest is filled and submitted to Direcção Geral dos Recursos Florestais (General Management of Forest Resources). For all species, Reginacork receives documents on every transport that takes place in the chain from the raw material supplier to Reginacork. The transport documents state: the name and address of the operator and the sender or receiver, the name and quantity/volume of the shipped product, the place of provenance of the raw material and the date of the shipment. The person responsible for the purchase of the raw material is constantly accompanying the loggers and ensuring these issues. Reginacork also has the contract agreement that is made with the forest owner which defines the plots where to operate. The Competent Authority in Portugal for ensuring implementation of the EUTR is Institute for Nature Conservation and Forests (ICNF). The enforcement authority is the National Republican Guard (GNR) which conducts enforcement according to ICNF procedures. Since the start of 2015 a far-reaching regime of inspections has begin. From January 2015 to April 2016 ICNF has conducted 113 inspections with no contraventions, included Reginacork. Also for the same period GNR has conducted 265 inspections with one contravention. As there is no permit required for ordinary forest harvesting, all attention is focused, in our case, on referred exceptional cases: • Conversion from forest to plantations for areas larger than 350 ha or other uses for areas greater than 50 ha; • The National Action Plan for Control of NMP (Pine Wood Nematode) applies to all conifers and includes a strict phytosanitary plan which requires up-front registration of all operators and notification to authorities, prior to commencement of harvesting, transport and processing of wood (some of cuttings detailed on Action Plan are obligatory).</p>
<p>Means of Verification</p>	<p>DDS Manifest; Register in ICNF plataform; Written permit referring applicable legislation in all exceptional cases referred above; Operator registry and previous notification in cases of all conifers because of Nematode Pine Plan NMP; EUTR Operator Registry: • Information about the wood/timber products which shall include quality, quantity, the supplier, origin country, and conformity with national legislation; • Risk evaluation- of the illegality of the timber by operator of the supply chain, based on the collected information. • Risk minimization - by additional information, verifications if the evaluation reveals specified risks.</p>
<p>Evidence Reviewed</p>	<p>Cutting Permission in Law n.º 33/96, at 17/08 (article 7th) https://dre.pt/application/dir/pdf1sdip/1996/08/190A00/25682573.pdf Pinus Nematode: Dec.Retificação n.º 38/2015 de 01/09 DL 123/15, at 3/07 DL 95/2011, de 8/08 DL 154/05 6/09 Dec. n. 30-A/2011, de 7/10 Cuttings before mature of Pinus pinaster and Eucaliptus: DL173/88,17/05 Harvesting manifest: DL 174/88, 17/05 Municipal licenses of vegetation destruction: DL 139/89 High risk areas for harvesting: Desp. 17 282/2003 Operational cuttings on forest regime areas: Desp. 18355/2008 Environment law nº 19/14 de 14/04 DL 151-B/2013 de 31/10 https://dre.pt/application/file/513900 DL 49/05, de 24/02 DL 197/2005, de 8/11 Timber Operator Registry: DL76/2013 at 5/06 EUTR: DL nº76/2013 de 5/06 artºs 3º,8º at https://dre.pt/application/dir/pdf1sdip/2013/06/10800/0322203225.pdf (UE)Regulation n.º 995/2010 artºs 4º, 5º, 6º http://www.icnf.pt/portal/florestas/fileiras/resource/docs/reg/regulamento-995-2010 Waste and residues laws http://www.pgdlisboa.pt/leis/lei_mostra_articulado.php?nid=981&tabela=lei_velhas&nversao=4&so_miolo= Energetic purposes forest biomass definition https://dre.pt/application/conteudo/70064732 https://dre.pt/application/dir/pdf1sdip/2011/01/00600/0017300175.pdf Government sources • APA-Agência Portuguesa de Ambiente at http://apambiente.pt/index.php; • Municipalities at</p>

	(<a href="http://www.cm- < NAME > .pt/">http://www.cm- < NAME > .pt/); • SEPNA-Serviço da Protecção da Natureza e do Ambiente/GNR- Guarda Nacional Republicana at (http://www.gnr.pt/default.asp?do=5r20n/DF.zv55n1/Zv55n1) • Instituto da Conservação da Natureza e Florestas at page http://www.icnf.pt/portal/florestas/fileiras/reg-op ; • ICNF Report:(http://www.icnf.pt/portal/florestas/fileiras/resource/docs/icnf-ruem) Non-Government sources • ANEFA - Associação Nacional de Empresas Florestais, Agrícolas e do Ambiente at: http://www.anefa.pt •AIMMP • Associação das Indústrias de Madeira e Mobiliário de Portugal at: http://aimmp.pt/
Risk Rating	Low Risk
Comment or Mitigation Measure	See 1.1.2, 1.2.1, and 1.4.1. Reginacork checks legality. The EUTR covers also wood placed on EU market from Portuguese forests.

	Indicator
1.4.1	The BP has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.
Finding	In Portugal it is not applicable payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting such as stumpage fees and other volume based fees. Only taxes related to timber harvesting are applicable to all economic activities such as value added taxes (VAT) and income taxes (IRS and IRC). VAT (IVA) taxes: A normal tax rate of 23% VAT is applied to sale of wood. In special cases, a VAT reduction to 6% can be applied to the owner of 'standing wood' or 'standing stock sales'; or even VAT exemption if the owner is an agriculturalist or silviculturalist. Invoices must be issued by the seller, but self-invoicing by the buyer may occur in exceptional circumstances if some conditions are met (previous agreement, data conformity, etc). As no specific evidence of irregularity has been identified in relation to payment of VAT, this requirement is considered Low risk. The payment of VAT is a simple requisition that is easy to verify and legally undertake by both entities (seller and buyer). The exceptional regimes of reduced taxes or exemption are in place to include the cases of forest owners with special profiles as agriculturalist or silviculturalist. Income taxes (IRS & IRC): Income taxes are applied according to individual or collective fiscal laws. It was not found any specific evidence of irregularities about income taxes related to harvest companies. Fiscal Authorities are Autoridade Tributária, which makes joint inspections on roads together with GNR- Guarda Nacional Republicana.
Means of Verification	Valid invoice/receipts Valid declaration of taxes non-debt IES_ Annual Declaration Proof of Annual declaration IRS/IRC Taxes Single Report
Evidence Reviewed	VAT Code CIVA: • DL n.º 102/2008, de 20/6: artº2º 1-a);artº9º 32) List I nº4. Anexo A- IV Individual Income Code to Singular Persons: • DL nº 442-A/88 artº4º nº3,nº4 Updated by Law nº67/2015, de 06/07 Preâ. nº9, artº3 nº1a);nº4; artº4º nº1, nº3 nº4 artº34º Comercial Income Code to collective entities • DLnº 442-B/88 Updated by Law n.º 2/2014 de 16/12, Law nº3/2014 de 16/12 & Law nº4/2014 de 16/12 artº1º, artº2º, artº 3º, artº18º-nº7 ;

	<p>artº20º nº1 g) artº23º nº2 k) • Port. nº 55/2010 21/01 artº2º Government sources • Autoridade Tributária e Aduaneira at: https://www.portaldasfinancas.gov.pt/pt/home.action • Autoridade Tributária e Aduaneira: VAT Exemption and reduction at: http://info.portaldasfinancas.gov.pt/NR/rdonlyres/9A86386D-7EB8-447F-9EAC-CEB67C206BD2/0/INFORMA%C3%87%C3%83O.3526.pdf • Autoridade Tributária e Aduaneira: Self invoicing by the buyer: http://info.portaldasfinancas.gov.pt/NR/rdonlyres/A4FB3349-0071-47FC-97EC-ADE2061C094A/0/Informacao_5332.pdf Non-Government sources • ANEFA - Associação Nacional de Empresas Florestais, Agrícolas e do Ambiente at: http://www.anefa.pt/ • AIMMP – Associação das Indústrias de Madeira e Mobiliário de Portugal at: http://aimmp.pt/ • AIFF – Associação para a Competitividade da Indústria da Fileira Florestal at: http://www.aiff.org.pt/ • OCC-Ordem dos Contabilistas Certificados at http://www.otoc.pt/pt/a-ordem/</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	Business between the forest producer and purchaser has some risk related to tax evasion, but these are dealt with by the general procedures at Reginacork to comply with legality. Reginacork checks the identity of wood suppliers and if their bank account is related to them. Reginacork only pays via the bank. Reginacork communicates with suppliers that they need to pay taxes. Any indication to tax debts or corruption, is sufficient reason to not cooperate with a raw material supplier.

	Indicator
1.5.1	The BP has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.
Finding	There are no trees in Portugal belonging to CITES annexes. Also it was not found any direct effect of harvesting or forest management over CITES listed species.
Means of Verification	List of purchased species.
Evidence Reviewed	Portuguese legislation: • DL211/2009, 03/09, artº2º, artº4ºartº9º, artº13º • Port nº1225/2009 de 12/10 ; Portaria nº 1226/2009 de 12/10 • Port nº 7/2010 de 05/01 ; Port. 60/2012 de 19/03 EU legislation: • Council Regulation (EC) No 338/97 of 9 December 1996 on the protection of species of wild fauna and flora by regulating trade therein, article 4, 5, 7, 8 (http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:1997R0338:20080411:EN:PDF) • Date of CITES application on EU: JOUE L 189, de 2015-07-17 • European Union page at: http://ec.europa.eu/environment/cites/pdf/trade_regulations/KH7707262PTC.pdf CITES • ICNF page: http://www.icnf.pt/portal/icnf/serv/formularios/cites • CITES Reports: https://cites.org/sites/default/files/reports/13-14Portugal.pdf
Risk Rating	Low Risk

Comment or Mitigation Measure	---
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	Indicator
1.6.1	The BP has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.
Finding	<p>Portugal and Portuguese forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control. The country is not covered by a UN security ban on exporting timber or any other international ban on timber export, also there are not individuals or entities involved in the forest sector that are facing UN sanctions. Portugal is well positioned at all international reports: • Corruption Perception Index scores 63 meaning low perceived level of corruption; • Worldwide Governance Indicators (WGI) from 73.3 to 84.13 (1-100points) The WGI report six aggregate governance indicators for over 200 countries and territories over the period 1996-2014, covering i) Voice and Accountability, ii) Political Stability and Absence of Violence/Terrorism, iii) Government Effectiveness, iv) Regulatory Quality, v) Rule of Law, and vi) Control of Corruption. On the other side Portugal (including human rights, illegal logging , forest and timber) is not listed in alarming reports or indexes such as: • Committee to Protect Journalists Impunity Index; • Human Rights Watch; • Global Witness • Chattham House • Amnesty International There are not indigenous or traditional people in Portugal that could claim traditional rights to lands, forests and other resources, based on long established custom or traditional occupation and use. This are potential issues that loggers and forest owners need to address when asking for a harvesting permission. This point is covered before the manifest document is issued. Reginacork is checking this document and ensuring they are buying from certified and licensed suppliers. Instead, there are rights to pass in public roads and ways, across the coast or rivers. In Portugal getting in forest lands is not considered invasion even on private properties, and it is common the use of wild products by communities (mushrooms, asparagus, snails, besides fishing on public waters). Reginacork is FSC certified and listens to the people living in the surroundings of the forest areas. Reginacork is always prepared to solve any problem in a pleasant way and respects people who make use of their (traditional) rights.</p>
Means of Verification	Identity card of workers. Valid written contract. Obligatory insurance document. Updated document of social security payment IRS /IRC taxes - Relatório Único.
Evidence Reviewed	<p>Transparency International http://www.transparency.org/cpi2015#map-container UN Sanctions List at: https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list World Bank: Worldwide Governance Indicators http://info.worldbank.org/governance/wgi/index.aspx#countryReports Committee to Protect Journalists https://www.cpj.org/reports/2014/04/impunity-index-getting-away-with-murder.php Human Rights Watch: http://www.hrw.org/world-report/2015 Global Witness: www.globalwitness.org Chattham House Illegal Logging Indicators Country Report Card http://www.illegal-logging.info Amnesty International: https://www.amnesty.org/en/documents/pol10/0001/2015/en/ Labour Code: Law n.º 7/09 12/02 cap I and updates like Lei 69/13, de 30/08 includes obligatory professional training</p>

	<p>(http://www.act.gov.pt/(ptPT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx Republic Assembly Resolution nº109/2012 de 08/08 art 6º (Convention 184 doesn't apply to industrial forest work) ILO Convention numbers 87, 98, 29, 105, 100, 101,129 e 138, 184 (http://dre.pt/util/getpdf.asp?s=diad&serie=1&iddr=2012.153&iddip=20121525 Foreign workers: Law n.º 23/2007 at 04/07 artº59º 5a) and updates (http://www.pgdlisboa.pt/leis/lei_mostra_articulado.php?nid=920&tabela=leis&so_miolo Labour Conditions Authority-ACT http://www.act.gov.pt/(pt-PT)/Paginas/default.aspx. Ministry of Solidarity, Employment and Social Security http://www.portugal.gov.pt/pt/ministerios/mtsss.aspx Employment and Professional Training Institute at https://www.iefp.pt Ministry of Internal Administration http://www.portugal.gov.pt/pt/ministerios/mai/equipa.aspx Immigration And Borders Services http://www.sef.pt/portal/V10/EN/asp/page.aspx SETAA-Sindicato da Agricultura, Alimentação e Florestas: at http://www.setaa.pt/ UGT-União Geral de Trabalhadores at https://www.ugt.pt/ CGTP - Confederação Geral de Trabalhadores Portugueses at http://www.cgtp.pt/ ANEFA - Associação Nacional de Empresas Florestais, Agrícolas e do Ambiente at: http://www.anefa.pt/ UNAC - União da Floresta Mediterrânica http://www.unac.pt/ Forum Florestal- Estrutura Federativa da Floresta Portuguesa at http://forumflorestal.pt Forestis- Associação Florestal de Portugal http://www.forestis.pt/ FNAPF- Federação Nacional das Associações de Proprietários Florestais http://www.fnapf.pt/ Confagri-Confederação Nacional das Cooperativas Agrícolas e do Crédito Agrícola de Portugal, CCRL at http://www.confagri.pt/ CNA - Confederação Nacional de Agricultura at http://www.cna.pt/ CAP- Confederação dos Agricultores de Portugal http://www.cap.pt/ BALADI- Federação Nacional dos Baldios https://www.facebook.com/Federa%C3%A7%C3%A3o-Nacional-dos-Baldios-257792997725879/</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.1.1	The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.
Finding	The important HCV areas critical to conservation are designated as protected and classified areas at national or EU level (Natura 2000), there are very likely a large number of smaller areas or biotopes important to biodiversity or as classified priority species and habitats could be unidentified. HCV 1 – Species diversity: concentrations of biological diversity including endemic species, and rare, threatened, or endangered species that are significant at global, regional, or national levels. i) Classified areas: The total classified area protected by the Rede Nacional de Áreas Protegidas (RNAP) and the Rede Natura2000 covers around 20 per cent of Portugal’s continental territory. Classified areas comprise RNAP protected areas, sites from the national list [which includes sites of community importance (SICs)] and the Zonas de Protecção Especial para Aves (ZPE) of the Natura 2000 network. Municipal protection areas must also be considered. Other classified areas are also protected by

international commitments agreed upon by the Portuguese state (e.g. Ramsar Convention sites, biogenetic reserves, biosphere reserves). Although not included in classified areas, other areas come under this umbrella, such as Important Bird Areas (IBAs), sites of international importance for the conservation of birds on a global scale. (<http://www.icnf.pt/portal/naturaclas/cart>). ii) Endangered species according to the classification adopted by the International Union for the Conservation of Nature (IUCN) to endangered species: • Critically endangered (CR) • Endangered (EN) • Vulnerable (VU). • Protected species within the legal conservation instruments in force in Portugal Relevant information: • Habitat and Birds Directives; • CITES • Bern Convention • Bonn Convention • Red Book of Vertebrates from Portugal • Red book and Atlas of Bryophytes • <http://www.icnf.pt/portal/naturaclas/patrinatur/especies> iii) Endemic species: The Mediterranean basin, in which Portugal is found, contains around 25,000 species of plants, of which 50 per cent are endemic to the region. Of almost 4,000 species of flora listed for Portugal (continental, Azores, and Madeira), around 450 are lusitanian endemisms (444 in total; 143 on the continent, plus 76 from the Azores, 158 from Madeira, and 67 from Macaronesia), and 346 are endemic to the Iberian Peninsula. 3,314 species of flora are listed for the continent, 1,006 in the Azores archipelago, and 1,233 in Madeira. This is the region that shelters the highest number of endemisms (species that do not exist elsewhere) – 157 in all. In the Azores the number reaches 78, while on the continent it is 150. As for invertebrates, information is scarce, but there are statistics for insects: so far, 402 taxa have been registered (369 species and 33 subspecies) which are recognized as lusitanian endemisms. iv) Critical seasonal use areas including critical areas of refuge, breeding or migration routes in Portuguese territory: Fauna species may use different types of habitat depending on their life cycle and the season. These habitats can be critical for their importance in the reproductive season or for the availability of food in certain seasons. This designation focuses on the importance of these areas for fauna. Digital mapping information from the Manual das Linhas Eléctricas [Manual of Electric Lines] (ICNB 2008) is also used, for reference purposes only, as its scope is limited in this field. This identifies: • Autumnal bird migration corridors in south-west Alentejo and the Vicentina coast; • Zones of concentration and passage for steppe birds (great and little bustards); • Reproduction areas for birds of prey with threatened status; • Concentration of winter birds in wetlands; • Shelters for bats, considered important at a national, regional, and local level. • As for invertebrates, information is scarce, but there are statistics for insects: so far, 402 taxa have been registered (369 species and 33 subspecies) which are recognized as Lusitanian endemism.

HCV 2 – Landscape-level ecosystems and mosaics: Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance. • Cork oak and holm oak formations occurring in Portugal in the heathlands of the Tagus and Sado (cork) and Guadiana Valley (oak) under the form of woodlands or montados. HCV 3 – Ecosystems and habitats: rare, threatened, or endangered ecosystems, habitats or refugia i) Habitats Directive (2007-2012) Covers habitats listed in the Habitats Directive (Annex I) which, in the last national Habitats Directive report (2007–2012), were listed in categories (U1) – unfavourable inadequate – and (U2) – unfavourable bad. ii) Natura 2000 database Natura2000's sectorial plan is the main source of information used to identify habitats in classified areas. In the case of non-classified areas, the Habitats Directive implementation reports can be consulted for information on habitat conservation (favourable, unfavourable inadequate, unfavourable bad). iii) Portugal approved its ratification of the Convention on Biological Diversity (CBD) via DL no. 21/93, dated 29 June, which became effective in our country on 21 March 1994. The Fifth National Report to CBD had as its main objective a review of implementation of the Convention and an assessment of how far we had come in achieving CBD objectives and the Aichi Biodiversity Targets contained in the Strategic Plan for Biodiversity 2011–2020. It also contributed to the development of the Global Biodiversity Outlook report and the review of the fulfilment of the EU Biodiversity Strategy for 2020. The

report covers the state and tendencies of biodiversity and detected threats, reporting on actions taken towards fulfilling the Aichi Biodiversity Targets and finally sets out, based on experience, topics most deserving of attention in order to achieve a more adequate and broad-reaching implementation of the CBD's COP (Conference of Parties) decisions in Portugal.

HCV 4 – Critical ecosystem services: basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes. forests located in critical areas in river basins, such as floodplains and sloping areas, as defined and mapped in REN-National Ecological Reserve.

HCV 5 – Community needs: Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples.

HCV 6 – Cultural values: sites, resources, habitats, and landscapes of global or national cultural, archaeological, or historical significance, and/or of critical cultural, ecological, economic, or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or Indigenous Peoples.

i) World Heritage (UNESCO) Sites identified as World Heritage by UNESCO. In Portugal there are 15 sites identified (<http://www.patrimoniocultural.pt/pt/patrimonio/patrimonio-mundial/portugal> or <http://www.rpmp.pt/#!sitios/cihc>), of which only two are designated as outstanding natural landscapes ('Paisagem Cultural de Sintra', around 900ha, on the Portuguese mainland, and the 'Floresta Laurissilva na Madeira', on the island of Madeira, covering 15,000ha). The Iberian Risk Assessment also identified rocky landscapes such as the Vale de Foz Côa [Foz Côa Valley], the Douro slopes, and the landscape of Pico island, places that, analysed more closely, are not part of the forestry sector – see the results of the meeting of the working group for category 3 (5 July 2016). Currently, there are other sites proposed for Portugal under assessment by UNESCO (<https://www.unescoportugal.mne.pt/pt/temas/proteger-o-nosso-patrimonio-e-promover-a-criatividade/patrimonio-mundial-em-portugal>). These are not yet included here.

ii) Cultural heritage (Law no. 107/2001, dated 8 September) In Portugal there are specific governmental bodies to manage cultural heritage: the General Directorate of Cultural Heritage for the Portuguese Mainland (<http://patrimoniocultural.pt/en/>); Directorate of Services of Cultural Heritage for the Island of Madeira (<http://cultura.madeira-edu.pt/agendacultural/CulturalHeritage/DSPC/tabid/939/language/en-US/Default.aspx>); and the Regional Directorate of Culture for the Azores Islands (<http://www.azores.gov.pt/Portal/en/entidades/srec-drcultura/?lang=en> and <http://www.iac-azores.org/>). Among others, these bodies are responsible for: managing the architectural and archaeological built heritage in urban and rural areas, including conservation works in monuments under our care; managing the national museums, World Heritage monuments and museum collections; studying, researching, and disseminating heritage-related information; conserving and restoring movable heritage assets as well as researching, disseminating results, and raising awareness about heritage protection issues.

iii) Classified groves (Law no. 53/2012, dated 5 September) National legislation that identifies and protects outstanding grove (arboreta) (<http://www.icnf.pt/portal/florestas/Arvores.qry?start:int=80&Distrito=&Concelho=&Freguesia=&Processo>). The main source of information within this attribute is the application report of the Habitats Directive (2007-2012) as well as the description list of every habitat identified in the Annex 1 of Habitats Directive in Sectorial Plan of the Natura2000 network. Other cartographic information of HCV is included on open GIS like http://www.habeas-med.org/webgis/pt_en/ and <http://epic-webgis-portugal.isa.ulisboa.pt>.

Conclusion HCV 1 – Specified risk The scope of RNAP and SNAC is the assessment of large areas with significant biodiversity values, meaning that the identification of threats and pressures to attributes, as well as monitoring activities are, typically, performed at a macro scale. The identification of precise HCV attributes might not fall under the scope of these assessments, so specified risk is considered. Outside SNAC and RNAP, where less information is available, the risk is, thereby, specified.

HCV 2 – Low Risk It is considered that HCV2

	<p>attributes are well identified and mapped. HCV 3 – Specified Risk Extra effort is needed to identify and map these values. Internet sources, as well as the situation on the ground need to be studied. See indicator 2.1.2. and 2.2.3 HCV 4 & 5 – Specified risk Extra effort is needed to identify and map these values. Internet sources, as well as the local situation need to be studied. This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated for each region by the Regional Forestry Management Plan (PROF). There are no indigenous people in Portugal, but in it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). Building fences around forests is most of the time undesirable. See indicators 2.2.2, 2.2.3, 2.2.6, 2.4.1 and 2.5.1 (and 2.6.1 as ‘safety net’) HCV 6 – Low risk Significant cultural features created intentionally by humans are identified and sufficient buffers are applied, since the criteria for identifying HCV 6 for Portugal are based on international or legal frameworks that already foresee the safeguards needed to protect/maintain the cultural values identified.</p>
<p>Means of Verification</p>	<p>Reginacork’s Evaluation of the risks and possible impacts of harvesting operations (EoR) • Field studies suppliers • Harvesting operation maps Reginacork and feedstock suppliers • Internet research • GIS maps of HCV areas. • Interviews • Priority Classified Habitat and species catalogue. • FSC and PEFC certificate The pellets are at FSC CW and SBP-controlled biomass. Our specialists check the harvesting areas and assure protected regions are not cut.</p>
<p>Evidence Reviewed</p>	<p>Sources below (mitigation measures) and these: HABEAS: http://www.habeas-med.org/webgis/pt_en/ http://www.icnf.pt/portal/florestas/profs SNAC Legislation https://dre.pt/application/file/70698029 RNAP: http://www.icnf.pt/portal/ap/ap National Conservation Plano of threatened Flora information http://www.icnf.pt/portal/naturaclas/patrinatur/conserv-flora-perigo Site characterization SIC e ZPE: http://www.icnf.pt/portal/naturaclas/rn2000/p-set/Plan-set-docs Data Base for fauna and flora specific plans: http://www.icnf.pt/portal/naturaclas/patrinatur/especies DRE: http://www.icnf.pt/portal/icnf/legisl/legislacao/2012/lei-n.o-53-2012-de-5-de-setembro.-d.-r.-n.o-172-serie-i http://www.icnf.pt/portal/florestas/profs/alt-minh http://www.icnf.pt/portal/florestas/profs/baix-minh http://www.icnf.pt/portal/florestas/profs/nordest http://www.icnf.pt/portal/florestas/profs/centr-lit http://www.icnf.pt/portal/florestas/profs/ampedv Reptile and amphibious of Portugal (2008): http://www.icnf.pt/portal/naturaclas/patrinatur/atlas-anfi-rept/anfibios Red book for Portuguese Vertebrates (2005): http://www.icnf.pt/portal/naturaclas/patrinatur/lvv Flora identification: http://www.icnf.pt/portal/naturaclas/rn2000/p-set/psrn-flora Electric wire line manual (ICNB 2008) http://www.icnf.pt/portal/naturaclas/ordgest/aa/resource/doc/man-infra-lin Law for natural values cadastre: Decree-Law n.º 242/2015 at 15/10 https://dre.pt/application/conteudo/70693924 Fresh water Fish National cartography: http://www.cartapiscicola.org/ Flora cartographic source: http://www.flora-on.pt/ Cartography (2015) http://webgis.spea.pt/AtlasAvesInvernantesMigradoras/ AIIF: http://www.aiff.org.pt/assets/ESTUDO_Prospetivo_-_Sector-Florestal.pdf AIIF: http://www.aiff.org.pt/assets/Relatorio-de-Characterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf ICNF: http://www.icnf.pt/portal/florestas/ifn/resource/ficheiros/ifn/ifn6-res-prelimv1-1 Status & Trends in Sustainable Forest Management in Europe https://www.unece.org/fileadmin/DAM/publications/timber/Forest_Europe_report_2011_web.pdf ICNF: http://www.icnf.pt/portal/florestas/dfci/Resource/doc/rel/2013/relatorio-dfci-ap-2013 ICNF: http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recup-inc-catraia-set-v5</p>
<p>Risk Rating</p>	<p>Specified Risk</p>

<p>Comment or Mitigation Measure</p>	<p>The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. All suppliers have to comply with the laws in force, which are supervised by the Tax Authority and the ICNF (Please see the file 'Plano Regional de Ordenamento Florestal' 'Documentation point 4 'cartografia síntese' (ICNF) for each region). 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. Reginacork identifies and maps of areas with high conservation values (HCVs). HCV 1, 3, 4, and 5 were assessed to have a specified risk. Extra effort is needed to identify and map these values. Internet sources, as well as the local situation needs to be studied. Below the main sources of information, used to prepare the identification of these values for our harvesting teams. The feedstock suppliers evaluate every plot before the harvesting operations begin. Reginacork inspects the suppliers and harvesting areas. The 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: > Classified areas: http://www.icnf.pt/portal/naturaclas/cart > Protected area plans: http://www.icnf.pt/portal/naturaclas/ordgest/poap > Endangered species: http://www.icnf.pt/portal/naturaclas/patrinatur/especies > Endemic species: http://naturdata.com/index.php?option=com_content&view=article&id=78&Itemid=60 > Digital mapping information from the Manual das Linhas Eléctricas [Manual of Electric Lines] (ICNB 2008) > Important Bird Areas of Portugal at: http://ibas-terrestres.spea.pt/ > Regional Forest Plans (PROF): http://www.icnf.pt/portal/florestas/profs HCV 3 – Ecosystems and habitats: > Habitats Directive (2007-2012) > Rede Natura 2000 database: http://www.icnf.pt/portal/naturaclas/rn2000 > Important Bird Areas of Portugal at: http://ibas-terrestres.spea.pt/ > Convention on Biological Diversity (CBD) via DL no. 21/93, dated 29 June HCV 4 – Critical ecosystem services & HCV 5 – Community needs: > Habeas-Hotspot Areas for Biodiversity and Ecosystem Services http://www.habeas-med.org/webgis/pt_en/ > Forests located in critical areas - defined and mapped in REN-National Ecological Reserve. Steps taken to guarantee the protection of HCVs: • Study publicly available and other information regarding the plots were harvesting operations are planned and their surroundings; • Inform harvesting teams and feedstock suppliers on found results on possible risks; • Onsite assessment of the plots and their surroundings prior to harvesting, measures are taken when the possible risks related to the plot prove to be applicable; for example, when habitats are found; • Check possible local interests, future plans regarding the land, and the complaint management for wood suppliers; • Evaluation of the risks and possible impacts of harvesting operations; • Development of adaptations to the harvesting plans, if needed.</p>
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	Indicator
<p>2.1.2</p>	<p>The BP 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.</p>
<p>Finding</p>	<p>HCV 1 – Specified Risk The scope of RNAP and SNAC is the assessment of large areas with significant biodiversity values, meaning that the identification of threats and pressures to attributes, as well as monitoring activities are, typically, performed at a macro scale. The identification of precise HCV attributes might not fall under the scope of these assessments, so specified risk is considered. Outside SNAC and RNAP, where less information is available, the risk is, thereby, specified. Several legal instruments protect areas of significant</p>

biological diversity: planos de ordenamento de áreas protegidas (POAP), planos regionais de ordenamento florestal (PROF), planos directores municipais [town planning] (PDM), plano de gestão florestal (PGF), and, in the case of classified areas, a programa de gestão da biodiversidade [biodiversity management programme] (PGB). Regarding the establishment of projects and programmes aiming to enhance the conservation status of HCV, the LIFE Programme has facilitated the development of a series of projects in Portugal (<http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.getDocs>), many of which permit contracts with owners as good conservation management practice, support and awareness-raising for owners and schools, and also vertical signs of species' territorial areas. A series of documents is also produced, from simple brochures to manuals of good practice (an example being the conservation manual for the Bonelli's eagle and the good forestry and hunting practice manual). Some projects include action plans for species conservation. Most projects have as their objective the conservation of potential HCV 1 species, being carried out by Natura2000 Network. Some NGOs, such as Sociedade Portuguesa para o Estudo das Aves (SPEA) [Portuguese Society for the Study of Birds]), have formed working groups to monitor species, such as the Bonelli's eagle working group (GTAB) and the night birds working group (GTAN). Furthermore, various good practice manuals, leaflets and other relevant information sources are available in the public domain, published by different institutions.

HCV2 – Low risk The regulation implemented in Portugal on oak and holm trees and stands, includes a comprehensive legislative framework with a legal action planning and project but also cuttings protection. This legislation also meet forest management measures themselves related to intensity of exploitation, such as the stripping and pruning. This regulation is relatively well established and disclosed have being assimilated by the various agents involved as owners, managers, and operators. Also the planned forest management and the proper certification of sustainable forest management expanded in Portugal in recent years is currently counting about 236 000 hectares certified forests entering the cork and holm oak species (is not robust statistics on the certified specific area with cork oak stands). Following several surveys on the fragilised state of cork and holm oak stands, there were also developed various processes to improve forest management practices, which were disclosed by the various entities involved. This includes a variety of contents and formats such as codes of good cork forest practices but also pest and disease identification guides. More recent investment lines have been created supported by EU grants to assist owners and managers in pest monitoring of cork and holm oak stands (Operation 8.1.3 - Prevention of forest against biotic and abiotic agents) and for health recovery and restoration of forest stands of cork oak (Operation 8.1.4 - forest Restoration affected by biotic and abiotic agents or catastrophic events). The most current detailed results achieved by management and improvement actions on forest stands of are not fully known, since the full values of the last national inventory (IFN6) are still missing, however it is known that the class of 'wooded area with cork oak' had an increase of 6% from 1995 to 2010, and holm oak has decreased 3% in the same period.

HCV 3 – Specified risk Information about threats of management activities to this designation can be found in ICNF information, namely in the sectorial plan of Natura2000 and in the Third National Application Report of the Habitats Directive (2007–2012). Portugal publishes graphics of threats to Portuguese habitats and species (Continent+Azores+Madeira) <http://www.icnf.pt/portal/naturaclas/rn2000/resource/docs/rel-nac-07-12/docs/nat-summ-pt>, as required by arts. 12 and 17 of the report. The Natura 2000 network database was updated in 2015 and it contains relevant information about the assessment of each habitat for each Common Importance Site. Furthermore, Portugal approved its ratification of the Convention on Biological Diversity (CBD) via DL no. 21/93, June 29th, which became effective on 21 March 1994. The Fifth National Report to CBD had as its main objective a review of implementation of the Convention and an assessment of how far we had come in achieving CBD objectives and the Aichi Biodiversity Targets contained in the Strategic Plan for Biodiversity 2011–2020. It also contributed to the development of the Global Biodiversity Outlook report and the review of the fulfilment of the EU Biodiversity Strategy for 2020. The

	<p>report covers the state and tendencies of biodiversity and detected threats, reporting on actions taken towards fulfilling the Aichi Biodiversity Targets and finally sets out, based on experience, topics most deserving of attention in order to achieve a more adequate and broad-reaching implementation of the CBD's COP (Conference of Parties) decisions in Portugal. The vertebrate species identified as threatened are listed and described in the Redbook of Vertebrates from Portugal. Similar assessment has been done for Bryophytes in the Redbook of Bryophytes. A study aimed to identified and list the threatened flora is being develop at this moment. The habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports.</p> <p>HCV 4 & HCV 5 – Specified Risk There are threats to forests located in critical areas in river basins, such as floodplains and steep areas, and aquifers as defined and mapped in REN- National Ecologic Reserve. Many of these threats include the conversion for forest plantations or other non-forest uses, and are addressed at following indicator 2.1.3. It has been identified very negative effects as a consequence of large forest fires on the river basin, affecting qualitative and quantitative hydrological flows in the following periods. In such cases the forest authorities (ICNF) develop and promote specific plans for the recovery of burned areas with precise information on the destinations of the timber. There are also threats of lesser magnitude caused in private forests, arising from inadequate operations of harvesting and / or maintenance. These operations include tools, interventions and inadequate intensity to the sensitivity of soils and vegetation in these critical areas to the protection of floods. However, the reduced scale of the most forest operations contributes to the reduction of the magnitude of the identified risks.</p> <p>HCV 6 – Low Risk The criteria for identifying HCV 6 for Portugal are based on international or legal frameworks that already foresee the safeguards needed to protect/maintain the cultural values identified. At the same time, it is considered that the values are legally recognized and enforced.</p>
<p>Means of Verification</p>	<p>Reginacork's Evaluation of the risks and possible impacts of harvesting operations (EoR) Field Studies Suppliers FSC or PEFC Forest management certificate public reports Forest Management plan as PGF, PUB, PEIF Regional, publicly available data from credible third parties FSC Supplier audit Records of Reginacork's field inspections</p>
<p>Evidence Reviewed</p>	<p>Bugalho, M. 2011 'Interpretação Nacional das Florestas de Alto Valor de Conservação' Documento de base Trabalhos realizados pelo GT IN FAVC do FSC Portugal HABEAS: http://www.habeas-med.org/webgis/pt_en/ LEAF_EPICWebGiSPortugal: http://epic-webgis-portugal.isa.ulisboa.pt/maps/epic?format=image/png;%20mode=8bit&startExtent=-1523000,4400000,-143668,5180000 SNAC : Legislation https://dre.pt/application/file/70698029 RNAP: http://www.icnf.pt/portal/ap/ap Rede Natura 2000: http://www.icnf.pt/portal/naturaclas/rn2000 Important Bird Areas of Portugal at : http://ibas-terrestres.spea.pt Site characterization SIC e ZPE: http://www.icnf.pt/portal/naturaclas/rn2000/p-set/Plan-set-docs Cartography : http://www.icnf.pt/portal/naturaclas/cart Protected area plans: http://www.icnf.pt/portal/naturaclas/ordgest/poap Data Base for fauna and flora specific plans: http://www.icnf.pt/portal/naturaclas/patrinatur/especies Red book for Portuguese Vertebrates (2005): http://www.icnf.pt/portal/naturaclas/patrinatur/lvv Nesting and wintering Bird Atlas on Portugal (2008): ND online Cartography (2015) http://webgis.spea.pt/AtlasAvesInvernantesMigradoras/ Reptile and amphibious of Portugal (2008): http://www.icnf.pt/portal/naturaclas/patrinatur/atlas-anfi-rept/anfibios Fresh water Fish National cartography : http://www.cartapiscicola.org/# Flora identification: http://www.icnf.pt/portal/naturaclas/rn2000/p-set/psrn-flora Flora cartographic source: http://www.flora-on.pt/ National Conservation Plano of threatened Flora information http://www.icnf.pt/portal/naturaclas/patrinatur/conserv-flora-perigo http://naturdata.com/index.php?option=com_content&view=article&id=78&Itemid=60 Electric wire line manual (ICNB 2008) http://www.icnf.pt/portal/naturaclas/ordgest/aa/resource/doc/man-infra-lin Regional Forest</p>

Plans (PROF): <http://www.icnf.pt/portal/florestas/profs> AIIF :
http://www.aiff.org.pt/assets/ESTUDO_Prospetivo_-Sector-Florestal.pdf AIIF:
<http://www.aiff.org.pt/assets/Relatorio-de-Characterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf> ICNF: <http://www.icnf.pt/portal/florestas/ifn/resource/ficheiros/ifn/ifn6-res-prelimv1-1>
UNECE:https://www.unece.org/fileadmin/DAM/publications/timber/Forest_Europe_report_2011_web.pdf ICNF: <http://www.icnf.pt/portal/florestas/dfci/Resource/doc/rel/2013/relatorio-dfci-ap-2013> ICNF: <http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recup-inc-catraia-set-v5> ICNF
<http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/rel-tec/picoes-rel-tecn>
WILDER: <http://www.wilder.pt/historias/pedida-actualizacao-de-lei-com-16-anos-sobre-especies-invasoras/> QUERCUS: <http://www.quercus.pt/comunicados/2009/maio/924-especies-invasoras-continuam-sem-controlo> UNECE
https://www.unece.org/fileadmin/DAM/publications/timber/Forest_Europe_report_2011_web.pdf Good Forest Practices <http://www.icnf.pt/portal/florestas/gf/documentos-tecnicos/resource/doc/Boas-Praticas-Florestais.pdf> Martins M.J & Cerdeira, J.O. (2009) do Departamento de Matemática do Instituto Superior de Agronomia. Referências R Core Development Team, 2009, R: A Language and Environment for Statistical Computing. Vienna, Austria, R Foundation for Statistical Computing; & Autoridade Florestal Nacional, 2010, Florestat – Aplicação para a Consulta dos Resultados do 5º Inventário Florestal Nacional. in Habeas - Habeas-Hotspot Areas for Biodiversity and Ecosystem Services http://www.habeas-med.org/webgis/pt_en/ APFC:
http://www.apfc.pt/xms/files/Eventos/Projetos_APFC_para_a_sanidade.pdf INIAV:
http://www.iniaiv.pt/fotos/gca/livro_causas_doc_sintese_1369127896.pdf ICNF:
<http://www.icnf.pt/portal/florestas/foflo/pdr2020/resource/doc/Areas-rrc-v-final.pdf> Planos de Gestão Florestal de áreas públicas:
<http://www.icnf.pt/portal/florestas/gf/pgf/publicitacoes/encerradas> Autoridade Florestal Nacional, 2010, Florestat – Aplicação para a Consulta dos Resultados do 5º Inventário Florestal Nacional. Disponível em <http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin> ICNF
<http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recup-inc-catraia-set-v5> PANCD <https://dre.pt/application/file/65985917> PDR2020 <http://www.pdr-2020.pt/site/O-PDR2020/Arquitetura/Area-3-Ambiente-Eficiencia-no-Uso-dos-Recursos-e-Clima/Medida-7-Agricultura-e-Recursos-Naturais/Acao-7.11-Investimentos-nao-productivos/Operacao-7.11.1-Investimentos-nao-productivos> Fundo Florestal Permanente:
<http://www.icnf.pt/portal/icnf/noticias/gloablnews/fundo-florestal-permanente-ffp> Alves, A. M., Pereira, J. S., Correia, A. V., 2012. Silvicultura - A gestão dos ecossistemas florestais. Fundação Calouste Gulbenkian. Capítulo 5 'Condenação de Aprígio Santo', Comunicado - s, 23/02/12 at Almargem-Associação de Defesa do Património Cultural e Ambiental do Algarve <https://www.facebook.com/associacaoalmargem/notes> 'Abate de sobreiros na Zona de Protecção Especial do Estuário de Tejo em Benavente' 19/06/2014, Quercus - Associação Nacional de Conservação da Natureza at (<http://www.quercus.pt/comunicados-floresta/644-2014/3708-abate-de-sobreiros-na-zona-de-protecao-especial-do-estuario-de-tejo-em-benavente>); 'Zona de Protecção Especial do Estuário do Tejo ameaçada por novas áreas turísticas' 22/05/2014, Quercus - Associação Nacional de Conservação da Natureza at (<http://www.quercus.pt/comunicados-floresta/644-2014/3652-zona-de-protecao-especial-do-estuario-do-tejo-ameacada-por-novas-areas-turisticas>); Acescimo
<http://acrescimoapif.blogspot.pt/2012/08/porque-ardem-as-florestas-em-portugal.html> Lourenço, L e Outros (2011) Causas de incêndios florestais em Portugal continental. Análise estatística da investigação efetuada no último quinquénio (1996 a 2010) QUERCUS
<http://www.quercus.pt/comunicados/2015/agosto/4419-politicas-publicas-desajustadas-favorecem-incendios> 'Butwell condenada por crime contra a Natureza e desobediência qualificada na Ria de Alvor' Rodrigues, E. 11/07/2015 at Sulinformação

	http://www.sulinformacao.pt/2015/07/butwell-condenada-por-crime-contra-a-natureza-e-desobediencia-qualificada-ria-de-alvor/ .
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. All used material is traceable to its origin through the harvest manifests and transport guides. All suppliers have to comply with the laws in force, which are supervised by the Tax Authority and the ICNF (Please see the file 'Plano Regional de Ordenamento Florestal' 'Documentation point 4 'cartografia síntese' (ICNF) for each region). 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. Reginacork identifies and addresses potential threats to forests and other areas with high conservation values (HCVs). HCV 1, 3, 4, and 5 were assessed to have a specified risk. Reginacork ensures:</p> <ul style="list-style-type: none"> • mapping of the harvesting plot, • owner rights, • harvesting according to the technical rules sustainable forest management, • best silvicultural practices, respecting environmental and safety rules, • cleaning of waste from plantations • tree species (no genetically modified trees) <p>The feedstock suppliers evaluate every plot before the harvesting operations begin. Reginacork inspects the suppliers and harvesting. Reginacork keeps records of field inspections and monitoring results.</p> <p>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, the supplier Reginacork 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. The Plant Manager of Reginacork checks the environmental assessment and does field inspections. The checks and inspections are recorded. The habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura2000 and Habitats and Birds Directive reports. See also below, indicator 2.2.3. HCV 4 – Critical ecosystem services & HCV 5 – Community needs This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated for each region by the Regional Forestry Management Plan (PROF). This point is evaluated and recorded before the forest operations commence. Caution and best practises are applied. Clear cuts are reduced to the maximum size indicated in the PROFs, or even further, if the environmental aspects, such as hillslopes, require special attention. There are no indigenous people in Portugal, but in it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). Building fences around forests is most of the time undesirable. See above indicator 2.1.1. See below, indicators 2.2.2, 2.2.3, 2.2.6, 2.4.1 and 2.5.1 (and 2.6.1 as 'safety net').</p>

Indicator

<p>2.1.3</p>	<p>The BP 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.</p>
<p>Finding</p>	<p>The majority of the present forest cover have developed from afforestation activities of Pinus Pinaster and Eucalyptus Globulus. Thereby, forest areas considered as primary forest, as is published by FAO, account for around 0.8% of overall forest cover. Furthermore, the overall dynamics of the Portuguese forest cover is not promoted or supported by the demand of biomass. Simultaneously, the development of forest energy crops is not permitted in Portugal, through several legislation limitations, namely the mandatory previous authorization for premature final cut of eucalyptus stands (Law-decree nº173/88 from May 17th), regulations for the introduction and environmental control of non-indigenous species (Law-decree nº565/99 from December 21st) and mainly the mandatory previous authorization for afforestation and reforestation activities using short rotation crops (Law-decree nº175/88 from May 17th). We can also conclude that the remains of the forest ecosystems that would have survived this destruction will be concentrated in the Fundamental Nature Conservation Network (RFCN) (defined by Decree-Law no. 142/2008, amended by Decree-Law no. 242/2015 dated 15 October) and made up of the Sistema Nacional de Áreas Classificadas [National Classified Areas System], which incorporates the central areas of nature conservation and biodiversity: i) RNAP; ii) SICs and ZPEs of the Natura2000 network; iii) any other areas classified under the umbrella of international commitments agreed upon by the Portuguese state; and areas of continuity: i) REN; ii) RAN iii) DPH (public hydric domains), safeguarded by the respective legal regulations. FAO's Global Forest Resources Assessment of 2010 [2] shows the following data regarding Portuguese forest area: • 37% of areas are defined as permanent forest • 20% of the forest is within protected areas • Primary forest only represents 1% • Other naturally regenerated forest just 75% • Planted forest 25%. Altering land cover in the protected areas is prohibited by Article 43 of Decree-Law no. 242/2015, as is the disturbance or destruction of threatened species and their habitats, under Article 44. As far as conversion to forest plantations is concerned, the provisions of Decree-Law no. 96/2013, 19 July, apply to the whole of the continental territory. This establishes the legal framework, for the whole of the continental territory, to which actions of afforestation and reforestation of forest species (RJAAR) are subject. However, any planting/replanting of forest species, independently of the area of intervention, that alters the dominant species previously installed (including the conversion of natural forest to plantations) is subject to advance authorization by the ICNF. It's important to highlight that the article nº9 of RJAAR defines that if an intervention area is situated inside the National Ecologic Reserve, a consult must be addressed to the CCDR as well as the related municipality. The article nº10 defines the factors that should be taken into account in the decision making process including protection of forest against forest fires, hydric related issues, biodiversity and habitat protection, among others. There are 135 Forest Producers Organizations registered on ICNF data base [3], whose offer multiple services, such as the preparation and implementation of Forest Management Plan, creation and management of Forest Intervention Zones, promotion of forest best practices, management of forest intervention teams, among others. As far as conversion that is not for agriculture or forestry is concerned, Decree-Law no. 139/89 is applicable to all Portuguese territory, and establishes protection measures for natural landscape, arable soil, and plant cover. These actions are subject to prior licensing by the municipal council. There is also specific protection legislation for: • Cork and holm oak (D-L no. 169/2001, amended by D-L no. 155/2004 of 30 June); • Riparian vegetation (Law 58/2005 and Law 54/2005); • Holly (Decree-Law no. 423/89). The latest RJAAR informative application note [3] summarizes the main points in this legal regime, including that actions of afforestation and reforestation are to be authorized by the ICNF, approved for public funding support</p>

	<p>programmes, decided upon by environmental impact reviews or environmental incidence assessments, and authorized or carried out by the ICNF, in properties managed by the same. 15% of the reforestation activities comprising the change of species, in the period of assessment, consisted on Pinus Pinaster converted to Eucalyptus. 4% of the referenced activities comprise the plantation of Eucalyptus on areas occupied by other, non-specified, species. The Minister Council from March 21st 2017, approved a law proposal that reviews the Legal Regime of the Arborization and Reforestation Actions [RJAAR] blocking the expansion of the eucalyptus plantation area, allowing new plantations only as compensation for areas previously occupied by eucalyptus and currently abandoned, being mandatory that the areas of previously occupied by this species shall be cleaned and in condition to be used for another agricultural or forestry activity. Risk Conclusion: Specified risk. • Conversion of forest cover is possible in Portugal, although previous authorization by ICNF is mandatory. • Several legal mechanisms and monitoring practices are put in place in order to control forestry activities in sensitive areas, comprising protected tree species. • The exotic tree species most relevant in Portugal is the Eucalyptus Globulus as is described above. The area of Eucalyptus settlements is constrained and thereby, conversions from other species will not be possible. • The change of land use is limited.</p>
<p>Means of Verification</p>	<p>Reginacork's Evaluation of the risks and possible impacts of harvesting operations (EoR) Field Studies Suppliers Reginacork DDS FSC manual CW Vendor Audit' report cdr04</p>
<p>Evidence Reviewed</p>	<p>ICNF -Ações de arborização e rearborização. Principais indicadores (outubro de 2013 a janeiro de 2016) Nota informativa n.º 4: http://www.icnf.pt/portal/florestas/arboriz/resource/docs/not-info/RJAAR-nota-informativa-n4-jan2016.pdf ICNF, 2013. IFN6 – Áreas dos usos do solo e das espécies florestais de Portugal continental. Resultados preliminares. [pdf], 34 pp, Instituto da Conservação da Natureza e das Florestas. Lisboa. http://www.icnf.pt/portal/florestas/ifn/resource/ficheiros/ifn/ifn6-res-prelimv1-1 'Abate de centenas de azinheiras e sobreiros para instalação de olival intensivo', 2006 Quercus - Associação Nacional de Conservação da Natureza at: http://www.quercus.pt/comunicados/2006/outubro/1650-abate-de-centenas-de-azinheiras-e-sobreiros-para-instalacao-de-olival-intensivo 'Obras no terreno continuam após abate ilegal de azinheiras promovido por empresários espanhóis para plantação de olival intensivo' 25/09/2008 Direcção Nacional da Quercus – Associação Nacional de Conservação da Natureza & Núcleo Regional de Beja/Évora http://www.quercus.pt/contactos/341-comunicados/2008/setembro/1222-obras-no-terreno-continuum-apos-abate-ilegal-de-azinheiras-promovido-por-empresarios-espanhois-para-plantacao-de-olival-intensivo Natural Forest Area change 2010-2015 Map at Global Forest Resources Assessments-FAO - Food and Agriculture Organization of the United Nations at http://www.fao.org/forest-resources-assessment/current-assessment/maps-and-figures/en/ Forest Change - GIS/Map in Global Forest Watch at: http://www.globalforestwatch.org/map/5/39.60/-8.50/PRT/grayscale/loss,forestgain?begin=2001-01-01&end=2014-12-30&threshold=30 Legislation: Conversion from natural Quercus suber and Quercus rotundifolia to other land uses: DL 169/2001, de 25/05 Artº 2º https://dre.pt/application/dir/pdf1sdip/2001/05/121A00/30533059.pdf) updated by DL155/2004, 30/06 https://dre.pt/application/dir/pdf1sdip/2004/06/152A00/39673968.pdf Conversion inside Protected and Classified areas: DL142/2008 at 24/07 Artº 43º https://dre.pt/application/dir/pdf1sdip/2008/07/14200/0459604611.PDF DL 49/05 24/02 https://dre.pt/application/dir/pdf1sdip/2005/02/039A00/16701708.pdf Destruction of natural riparian vegetation: Law 58/2005 29/12; Law 54/2005,at 15/11 (Artº 25º) https://dre.pt/application/dir/pdf1sdip/2005/11/219A00/65206525.pdf Conversion from natural Ilex aquifolium DL 423/89, 4/12 (Artº 1)</p>

	<p>https://dre.pt/application/dir/pdf1sdip/1989/12/27800/52915292.pdf Conversion from natural landscapes and hillside/slope erosion: DL 139/89 28/04 artº1</p> <p>http://www.icnf.pt/portal/icnf/faqs/arbordl139-89 Conversion by deforestation above 50ha (10ha in Sensitive Areas) or for reforestation with fast growth forest species on areas above 350ha (or 70 ha in sensitive areas) DL 151-B/2013 Artº 1º</p> <p>https://dre.pt/application/dir/pdf1sdip/2013/10/21102/0000600031.pdf</p>
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>There is a specified risk that this indicator is not met. There are no assurances, new eucalyptus plantations from after Jan. 2008 are not already maintained or harvested. First (maintenance) cuts are done after 8 years and the present forest fires result in instant harvesting of plantations. After forest fires can be difficult to assess if the whole area was an eucalyptus plantation in the past, or not; especially in areas without cadastral data. Besides, poplar and other tree species can be considered a plantation and the new law on respriting plantations only covers Eucalyptus. Reginacork considers all pine stands as forests and eucalyptus and poplar stands as plantations. Reginacork checks if forests have been changed to (eucalyptus) or Poplar plantations after 2008. When a eucalyptus or and Poplar plantation is cut the history of the plantation is investigated. First the age of the plantation is determined. If could be form after Jan. 2008, the land owner and/or residents are questioned and the plot is searched for old tree stumps. The results are reported in the 'Evaluation of the risks and possible impacts of harvesting operations'. Reginacork always demands its 'Evaluation of the risks and possible impacts of harvesting operations', which covers these points. The fulfilment of the evaluation is fixed in the Feedstock Supplier Declaration. Reginacork checks the evaluation of its suppliers and inspects harvesting plots.</p>

	Indicator
2.2.1	The BP 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.
Finding	<p>Most environmental legal requirements relating to forestry planning activities are included in Portugal's forestry legislation. In the administrative process of forest planning or forestation projects, the competent entities are centrally consulted by the national forest authority (ICNF). Management Plans including Forest Intervention Zone (ZIF), Community Use Area Plan (PUB) and Intervention Special Plan (PEIF) have been in place since 2000, and (to 2013) cover about 44% of Portuguese forest area. In private areas, forest plans are mandatory for all forest areas greater than a certain area (from 25 ha. to 100ha, depending on the region); however lack of this requirement has not resulted in any known penalties. In public areas, forest plans are obligatory for all areas (state forest, municipalities, etc.); however numbers from 2012 indicate that only 43% of these forests have the PGF. As of 2015, it is an objective of the forest authority ICNF that 100% of its areas should have a PGF by 2017 (for all public areas). In communitarian forests plans are obligatory for all areas however 2015 data show that Forest Plans (PUB) are in place in only 60% of cases. Forest Management Plans should include identification of most part of potential impacts and measures to minimize them. However, it is not a specific tool used to monitor environmental impacts, on FMU Management</p>

	<p>Plans. Instead there are the Regional Forest Plan covering all country which contains the most part of recommendations and tools to address forest impacts. Regional Forest Management Plans (PROF's) include monitoring specifications related to sustainability of forest resources, detailing all biotic and abiotic factors but also soils, and a list of potential impacts. Best practices are included for each forest management program. First generation PROF's were approved ten years ago, and they are all in a revision, being expected to be approved soon. No clear cuts are allowed, sustainable and best practices are mandatory by the authorities, specially under Portuguese Natura 2000 law. The national nature conservation system is based on legal protection regimes (such as The National network of protected areas, Natura 2000 network, etc.), which limits the activities allowed in these areas. There is also an inspection authority, SEPNA, and a strong system of protection (effective protected áreas and legislation) in place. Even so Reginacork is concerned and the Manager of the Certificate or the Responsible of Reception carries out audits to suppliers (Beginning of the year or part 1 of the process) by documenting them in the 'CW Vendor Audit' report cdr04. The procedures are in document 'Reginacork DDS and FSC manual' (please see attached). The supplier agrees to alert Reginacork, if it changes the source of the supply área. As a result, this control has made it possible to have a better understanding of all the traceability of raw material and this is reflected in the fact that there are no problems with suppliers, raw materials or land disputes. Larger scale activities are obliged to address a legal impact assessment and monitoring processes so an Evaluation of the risks and possible impacts of harvesting operations (EoR) must be done to conversions above 50 ha. or reforestations with fast growth species above 350 ha. These figures are lower when they occur inside Sensitive Areas (Protected, Classified and Monumental Areas), where it is obligatory to have this approved EoR if conversion to non-forest uses involves an area greater than 10 ha or forestation/ reforestation is taking place with fast-growing forest species covering over 70 ha. In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification) an additional assessment of environmental impacts is made and recorded before harvest. Reginacork always makes an Evaluation of the risks and possible impacts of harvesting operations (EoR) and checks the field study of the suppliers. Therefor it is concluded that the impact assessment is covered by various tools and it is considered as specified risk.</p>
<p>Means of Verification</p>	<p>Reginacork's Evaluation of the risks and possible impacts of harvesting operations (EoR) Manifest Field Study Suppliers Regional Forest Plan (PROF) Reginacork DDS FSC manual CW Vendor Audit' report cdr04 Records of Reginacork field inspections SNAC framework</p>
<p>Evidence Reviewed</p>	<p>Government sources Instituto da Conservação da Natureza e Florestas at http://www.icnf.pt/portal APA-Agência Portuguesa de Ambiente at http://apambiente.pt/index.php Municipalities at (<a href="http://www.cm-< NAME > .pt/">http://www.cm-< NAME > .pt/) Alvaizere Municipalitie forest regulation includes clearcutting fellings: http://ftp.cm-alvaizere.pt/regulamentos/Regulamento_florestal.pdf Non-Government sources Quercus - Associação Nacional de Conservação da Natureza at http://www.quercus.pt/ LPN-Liga para a Protecção da Natureza at http://www.lpn.pt GEOTA - Grupo de Estudos de Ordenamento do Território e Ambiente at http://www.geota.pt/scid/geotawebpage Greenpeace International at http://www.greenpeace.org/international/en/ World Wildlife Fund -Portugal at: http://www.wwf.pt/ Legislation: National Ecological Reserve DL 239/12 at 2/11 artº20ºnº1 e) EIA DL 151-B/2013 de 31/10 artº 1º nº3 b) Anexo II https://dre.pt/application/dir/pdf1sdip/2013/10/21102/0000600031.pdf DLnº 47/2014, 24/03 31/10 DLnº 179/2015, 27/08 artº2º Environment Law Lei de Bases de Política do Ambiente: Lei n.º 19/14 de 14/04 artº10ºd) DL nº49/05, de 24/02 artº20º DL 197/2005, de 8/11 artº 1º, nº3 b) e nº4, Machinery NP 1948, de 1994 Forest Equipament Chainsaw: NP 2761, de 1988 NP EN 13525:2005+A2:2009 Forest fire areas: DL nº55/2007, de</p>

	12/03 artº1º Lei n.º 54/91, de 8/08 DL nº34/99, de 5/02 artº1º Ministry Council Resolution nº 5/2006, de 18/01
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>There is a specified risk on this point, mainly in case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification). Special attention deserve areas with dimensions below the minimum threshold for mandatory Forest Management Plan (refer to PROF) and outside SNAC, as also areas where PGF is mandatory or within SNAC. Reginacork makes an 'Evaluation of the risks and possible impacts of harvesting operations' (EoR) on sites related to the SBE program. The EoR and the field study of the supplier evaluate:</p> <ul style="list-style-type: none"> • The possible economical, ecological and social impact of the forest operations including its surroundings. Harvesting operations can be changed to avoid negative impacts. • The quality of the management (by the land owner) prior to harvesting and regeneration plan. Indicators 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2 include relevant management measures which are checked. Reginacork monitors the plots to be harvested intensively and checks the field studies of its feedstock suppliers and the performed Risk Mitigation Measures. Reginacork does not classify all feedstock coming from the 'SBE approved suppliers' as 'SBP-compliant feedstock'. For example, if an estate has been poorly managed by a forest owner in the past, or does not comply with the SBE requirements on forest regeneration, Reginacork does not categorise feedstock to 'SBP-compliant feedstock'.

	Indicator
2.2.2	The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b)
Finding	<p>Soil quality in Portugal has not a positive evolution since historic times as the major part of Mediterranean region. Following FAO. 2013. State of Mediterranean Forests. Rome. http://www.fao.org/docrep/017/i3226e/i3226e.pdf '(...) 45 percent of European soil is degraded and depleted of organic matter and noted that the problem was particularly pressing in the Mediterranean region. Degradation can involve erosion, settling, the loss of organic matter, salinization, landslides, the loss of soil biodiversity, acidification, desertification and subsidence. All these problems could be exacerbated by climate change. (...) Figure 1.24 shows that there were considerable differences between countries, with losses of arable land greater than 25 percent in Croatia, Malta, Portugal and The former Yugoslav Republic of Macedonia. From 1992 to 2009. At national level, following Desertification Convention 5.1 Desertification Susceptibility (https://dre.pt/application/file/65985917): for Portugal, it can be concluded that, in the last half a century, the area of susceptibility to desertification clearly expanded in the mainland territory particularly in the period 1970-2000, and then for the 1980-2010 series, and is even more relevant as expansion for the 2000-2010 series, which corresponds to the most recent period analysed, with annual droughts particularly severe. It is known, therefore, that aridity, then susceptibility to desertification, affected, in the last three decades (1980-2010), 58% of the territory of the Continent, when in the series of 1960-1990 this affectation was of 36%, being included in this context mainly the areas of the South and the Interior Center and North. In the climatic series of the last decade, about 63% of the mainland territory is</p>

	<p>classified as areas susceptible to desertification. FAO- Land Degradation Index — LDI, developed for mainland Portugal (2000-2010) states that the national territory has 32.6% degraded lands and 60.3% are included in the fair to good condition. Lands and soils that accumulate biomass over time are about 67,8% but static trends were observed in 30,8% of territory and 1,5% have a regression on land quality. Later on, Forest Services used aridity index to produce the susceptible map of desertification, indicating priority areas for EU forest grants for forestation projects. The results of this FAO study, among others, were used to create National Program Against Desertification, which is adopted, among others by Regional Forest Plans, defining forest procedures for spaces for carbon sink and other for energetic use of biomass. The private and public Forest Management Plans should adopt these designations and procedures on their implemented management practices and procedures. Specifically on forest soils it is recognized the problem of nutrient and carbon exportation due to harvesting and residues removal in a significant part of the country which is affected by erosion and desertification problems. Although there is a broad consensus over soils fragility in much of the country, policies that contribute decisively to the conservation and improvement of soil quality in Portugal have not been implemented in the last decades. These implemented forest policies have not prevented the installation and exploitation of commercial timber forest stands including plantations of intensive softwood and hardwood plantations in sensitive soils with erosion risks contributing to expand the susceptible areas to desertification. The legal and regulatory framework includes restrictions and safeguards for soil use and mobilization operations with particular emphasis on sensitive, steep and near-water areas (called the National Ecological Reserve). However, as shown by above cited studies and data, reality at ground level does not reflect the application of these restrictions. Also forest residues removal from the field is regulated in Portugal, so loggers and owners have some legal obligations, related with both fire and phytosanitary policies. These obligations are depending on species, areas, seasons and regions. Process of forest residue treatment is commonly included on Best Practices but also on wood supply contracts, and forest land leasing. According to the available information, it is considered that on small size forest properties risk is low, as small scale also reduces the threats and risks involved with soil operations. The Portuguese forest sector often has bad practices regarding soil preparation, leading to a higher risk of erosion and also to a lower soil productivity. There is also a situation regarding soil protection that it is not settled in Portuguese legislation, since it is not mandatory to do environmental impact assessments before each operation, especially for small forest owners, so many times mitigation measures are not defined resulting in soil impacts. Therefore, and using a precautionary approach, it is considered specified the risks for soil quality of sourcing biomass feedstock on forest lands located on desertification susceptible area according to Forest Services (ICNF) cartography and with size above minimum size required for Forest Management Plan, is considered a specified risk.</p>
<p>Means of Verification</p>	<p>Reginacork's Evaluation of the risks and possible impacts of harvesting operations (EoR) Field Studies Suppliers Manifest Evaluation of environmental impacts Erosion and desertification programs and maps (REN)</p>
<p>Evidence Reviewed</p>	<p>National System for Forest Fire Prevention: Harvesting temperate forests reduces soil carbon http://ec.europa.eu/environment/integration/research/newsalert/pdf/23si6_en.pdf Susceptible areas to desertification map: http://www.icnf.pt/portal/naturaclas/ei/unccd-PT/pancd/o-pancd-2014-2020/pdr-2020-areas-susceptiveis-e-nao-susceptiveis-a-desertificacao ICNF http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recup-inc-catraia-set-v5 PANCD https://dre.pt/application/file/65985917 Reserva Ecológica Nacional https://dre.pt/application/dir/pdf1sdip/2012/11/21200/0630806346.pdf Kirkby, M.J., Jones, R.J.A., et al (2004). Pan-European Soil Erosion Risk Assessment: The PESERA Map, Version 1 October 2003. Explanation of Special Publication Ispra 2004 No.73 (S.P.I.04.73) .</p>

	<p>European Soil Bureau Research Report No.16, EUR 21176, 18pp. and 1 map in ISO B1 format. Office for Official Publications of the European Communities, Luxembourg. European Soil Portal, 2013, http://eusoils.jrc.ec.europa.eu/ESDB_Archive/eusoils_docs/esb_rr/n16_ThePeseraMapBkLe t52.pdf Good Forest Practices http://www.icnf.pt/portal/florestas/gf/documentos-tecnicos/resource/doc/Boas-Praticas-Florestais.pdf LEAF: Epic WebGis Portugal: http://epic-webgis-portugal.isa.ulisboa.pt/maps/epic?format=image/png;%20mode=8bit&startExtent=-1523000,4400000,-143668,5180000 Pinus Nematode: Dec.Retificação n.º 38/2015 de 01/09 DL 123/15, at 3/07 DL 95/2011, de 8/08 DL 154/05 6/09 Dec. n. 30-A/2011, de 7/10 Madeira.M , Fabião A., Páscoa F., Magalhães M., Cameira,M , Ribeiro C. (2009) Carbon and nutrient amounts in aboveground biomass, understory and soil in a pine stand chronosequence, http://www.scielo.mec.pt/pdf/rca/v32n2/v32n2a15.pdf Madeira, M. (2015) Thirty years of research on soil quality in forest systems under Mediterranean conditions. Trends and future. http://www.repository.utl.pt/bitstream/10400.5/9277/1/REP-M.Madeira-Spanish%20j.S.C..pdf Magalhães, M., Cameira M., Pato, Santos R. & Bandeira, J (2011) Residual forest biomass: effects of removal on soil quality http://www.scielo.mec.pt/scielo.php?script=sci_arttext&pid=S0871-018X2011000200019</p>
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>Before harvesting operations commence the plot is evaluated on this point and records are kept. Best forestry practises are applied. Maps can be obtained from 'Reserva Ecológica Nacional' (REN). Reginacork demands an field study from all feedstock suppliers. The Reginacork's EoR and the field study of the supplier address the specified risk on soil degradation: best practices have to be applied ('Best practices regarding harvesting operations').</p> <ul style="list-style-type: none"> • Low intensity of forestry, selective cuttings and small clear cuts of maximally 5 ha. were needed considering the soil and groundwater level. • Regeneration focusses on tree species that maintain or improve soil quality • Leave nutrients in the forests, mainly the green fraction of forest residues (on the other hand other forest residues need to be cleared to prevent forest fires. • Do not operate near-water areas (called the National Ecological Reserve) For example, on dry locations (elevated grounds or on slopes) selective cuttings are required, because the ground gets less direct impact of the sun and the forest and (natural) regeneration can maintain soil quality. On other locations (small) clear cuts can sometimes have the advantage that several kinds of broadleaved trees regenerate naturally, what improves soil quality. After clear cuts, the groundwater level can rise, what sometimes is an advantage. In order to improve soil protection from forest activities, the bReginacork checks if there is a RJAAR for each new plantation. Reginacork checks the field study of its suppliers. Poor soil quality can lead to erosion and other problems. Therefore, this indicator is related to indicator 2.2.6.

	Indicator
2.2.3	The BP 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).
Finding	Our pellets are FSC and SBP certified. Our Plant Manager studies the environmental aspects of the forest harvest and ensures endangered species are not used and protected. Portuguese authorities have listings as well on-the-ground agents to ensure

	compliance with legislation, specially protected areas (natura 2000 law) and FSC/PEFC areas. Portugal has identified the Nature 2000 areas (protected areas) and PROF regions and they have a FSC Controlled Wood low risk assessment. There are no CITES tree species in our supply base. In Portugal, key ecosystems and habitats occur mostly in Protected areas and in Classified Areas (Natura 2000). The overlap of classified areas over protected areas is approximately 1/3 of the total, which means that approximately 2/3 of classified areas are not included on protected areas of the National Network of Protected Areas. Also there are key ecosystems and habitats occurring outside Protected and Classified areas.
Means of Verification	Reginacork's Evaluation of the risks and possible impacts of harvesting operations (EoR) Field assessment suppliers Supply contracts DDS Reginacork FSC manual
Evidence Reviewed	See evidences reviewed listed at indicators 2.1.1 and 2.1.2, above.
Risk Rating	Specified Risk
Comment or Mitigation Measure	Reginacork prepares (publicly available) data on Ecosystems and habitats (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats). This information is given to all feedstock suppliers. Feedstock suppliers are trained to recognise key ecosystems and habitats. Most importantly, the feedstock suppliers inspect visually the harvesting plot and report on the results. Key ecosystems and habitats are indicated on the harvesting maps. Best practises are used to protect the high ecological values. The harvesting operations conserve these objects, mainly by not cutting the woodland or forest directly around them. In exceptional cases, low intensity harvesting operations are possible without damaging these objects. <ul style="list-style-type: none"> • Study key ecosystems on the harvesting plot, conserve areas of ecological value • Study flora and fauna at the harvesting plot, nests, breeding areas, antshills conserve protected tree species and habitats • Do not operate near-water areas (called the National Ecological Reserve) Reginacork demands its field study from all feedstock suppliers. Reginacork monitors the harvesting operations of its feedstock suppliers and checks the Field study of its suppliers.

	Indicator
2.2.4	The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	Biodiversity is included on fundamental environmental law on its article 10th (Law 19/2014 14/04) and is fully covered by biodiversity and nature conservation legal framework. In Continental Portugal the protected areas and Natura 2000 sites covers 2.017.803 ha meaning 20.47% of the territory. As on Convention on Biological Diversity: 'Portugal's National Biodiversity Strategic Action Plan NBSAP was based on the following ten guiding principles: an overall higher level of protection; the sustainable use of biological resources; prevention; precaution; recuperation; responsibility; integration; participation; international cooperation and decentralization. The NBSAP then lists 10 fundamental strategies that form the basis of their action plan, which include: to promote

	<p>scientific research and knowledge of local patrimony; to enhance the National Protected Areas Network; to promote the valorisation of the protected areas, and ensure the conservation of all social, cultural and natural components; ensure conservation and valorisation of areas within the Natura 2000 Network; implement, across the entire national territory, actions specific to the conservation and management of species and habitats of particular interest; integrate conservation and sustainable use principles into national and regional policies and laws; reinforce cooperation between all levels of administration; promote education and formation in conservation fields; ensure public education, awareness and sensitization; and strengthen international cooperation.' (...)</p> <p>About 3,600 species of plants occur in Portugal. There are 69 taxa of terrestrial mammals, a total of 313 bird species, of which around 35% are threatened in some ways, and 17 amphibian and 34 reptile species that occur in Portugal. Some of the main threats to the biological diversity of Portugal include: alteration or destruction of habitats; pollution; overexploitation; invasive alien species; urbanization and fires. It is considered that a significant part of biodiversity is covered and detailed by indicators 2.1.1 and 2.1.2, for which low risk was not reached in this risk assessment. All classified habitats, besides priority ones included on HCV, must be included in this indicator.</p>
Means of Verification	Reginacork's Evaluation of the risks and possible impacts of harvesting operations (EoR) Field study supplier. Evidences of described in the 2.1.1, 2.1.2 and 2.2.3.
Evidence Reviewed	<p>Fundamental Environmental Law n.º 19/2014 of 14/04 : http://www.icnf.pt/portal/icnf/legisl/legislacao/2014/lei-n-o-19-2014-de-14-de-abril-d-r-n-o-73-serie-i Dec -Law.nº 142/2008, of 24/07 https://dre.pt/application/file/70698029</p> <p>Convention on biological diversity: https://www.cbd.int/countries/profile/default.shtml?country=pt#nbsap (see also evidence reviewed at indicators 2.1.1 and 2.1.2).</p>
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>1) Reginacork prepares (publicly available) data on biodiversity researches and programs, red lists of Portugal, CITES, etc (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats, HCV 1 – Species diversity). This information is given to all feedstock suppliers. 2) Feedstock suppliers are trained to recognise the protected biodiversity and how to conserve them. These species are often related (it can be indicator species) to key ecosystems which need conserved (previous indicator). 3) The harvesting teams inspect visually the plot, make photos and report on the results. Endangered flora and fauna are indicated on the harvesting maps. Reginacork demands its field study from all feedstock suppliers. 4) Procedure 'Best practices regarding harvesting operations'. Best practices include measures to conserve and increase biodiversity (for example, standing dead wood, prescribed burning and other disturbances improving the conditions for endangered species flora and fauna). 5) Reginacork monitors the harvesting operations of its feedstock suppliers and checks the Field study of its suppliers.</p>

	Indicator
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2.2.5	The BP has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.
Finding	For soil matters related with residue removal see indicator 2.2.2. In Portugal forest residues removal from forests is regulated so loggers and owners have some legal obligations, related with both fire and phytosanitary policies. The manifest document informs that the executing company is responsible for residues removal. In addition, this document refers to the destination / location where the wood will be treated Based on the available information this indicator is considered low risk.
Means of Verification	Manifest. Records of Reginacork field inspections.
Evidence Reviewed	National System for Forest Fire Prevention: https://dre.pt/application/dir/pdf1sdip/2006/06/123A00/45864599.pdf Good Forest Practices http://www.icnf.pt/portal/florestas/gf/documentos-tecnicos/resource/doc/Boas-Praticas-Florestais.pdf Pinus Wilt Disease: • Dec.Retif. n.º 38/2015 de 01/09 • DL 123/15, at 3/07 • DL 95/2011, de 8/08 • DL 154/05 6/09 • Dec. n. 30-A/2011, de 7/10 See also evidences listed on 2.2.2.
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.2.6	The BP has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).
Finding	Reginacork considers the landscape where the harvest operations are executed, including hill slopes and streams that can overflow and demands the same from its feedstock suppliers. Clear cutting (of several ha.) is avoided in areas where all conditions are at high risk for soil erosion. In these cases, is followed the ICNF Handbook for forest best practices: 'In the areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.' These best practises are required to comply with the requirements of SBE program. Water legal framework includes water law and national and hydrographical basin plans, being Portuguese Environment Agency the national authority. Other authorities like SEPNA (National Republican Guard) and Nature Guards and Vigilantes, also have competencies of water resources inspection actions. Reginacork has never been penalized by any of these entities because it never operates on water lines. National Ecological Reservation is a territory classification of sensitive

	<p>areas for 'ecosystem services' where water issues are addressed, and some restrictions are in place to prevent negative impacts in slopes, valleys and other sensible situations. Every forest projects and plans must comply with this regulation, and they should be in place, for example in projected soil preparation techniques. The risk is applied to all private, communitarian, and public forest areas which are not managed by ICNF. ICNF Handbook for forest best practices defines: 'In the areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the spontaneous vegetation and not perform any mobilization of the soil.' Usually prevented by legal and regulatory framework, however in Portuguese implemented legislation there is not a clear and effective legal tool over all territory, being exceptions the Northern regions, where 10 hectares is defined as the maximum clearcuttings area as defined on Regional Forest Plans. Also some Municipalities may have municipal regulations about clearcutting fellings. So it is considered there are specified risks that feedstock is sourced from forests when clear cuttings are done over a specific size area. This specific area is defined regionally by each Regional Forest Plan (PROF), as the maximum clearcutting area or the size of even aged monoespecific forest stand. In Portugal there is the problem of illegal plantations where there is the risk in causing impacts in water resources, and also it is not mandatory by law to perform environmental impact assessments for small areas for each operation leading to a higher risk of causing impacts in water resources since mitigation measures are not defined. In order to prevent impacts on water resources resulting from forest activities, the biomass producer should control if there is a RJAAR for each new plantation, and should also demand an environmental impact assessment for every harvesting in order to prevent impacts on the water resources, resulting from these operations. This is considered a specific risk.</p>
<p>Means of Verification</p>	<p>Reginacork's Evaluation of the risks and possible impacts of harvesting operations (EoR) Internet research GIS maps of HCV areas Regional, publicly available data from a credible third party as FSC and PEFC reports Game management plans Regional Forest Plans Forest Operating Procedures Publicly available information on the protection of the values identified Aerial photos Assessment at an operational level of measures designed to minimise impacts on the values identified Erosion and desertification programs and maps FSC Manual DDS Reginacork Field Study Suppliers</p>
<p>Evidence Reviewed</p>	<p>Law: Dec-Law n.º 130/2012 22/06 https://dre.pt/application/dir/pdf1sdip/2012/06/12000/0310903139.pdf National Water Plan: http://www.apambiente.pt/?ref=16&subref=7&sub2ref=9&sub3ref=833 Hydrographical basin Plans http://www.apambiente.pt/?ref=16&subref=7&sub2ref=9&sub3ref=834#pgbh-tabela Reserva Ecológica Nacional Law: https://dre.pt/application/dir/pdf1sdip/2012/11/21200/0630806346.pdf See also evidences listed on indicators 2.1.1, 2.1.2, 2.1.3, 2.2.1 and 2.2.2.</p>
<p>Risk Rating</p>	<p>Specified Risk</p>
<p>Comment or Mitigation Measure</p>	<p>1) Reginacork studies data (from publicly available information, researches and programs) for its harvesting teams on ground water, surface water and steams (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats, HCV 1 – Species diversity). This information is given to all feedstock suppliers. 2) Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water. 3) The</p>

	<p>harvesting teams inspect visually the plot and the hill slopes and streams in the surroundings and report on the results. Reginacork demands its field study from all feedstock suppliers. 4) Procedure 'Best practices regarding harvesting operations'. Best practices include forest management measures that protect the plot against too high or low ground water levels, and erosion (surface water moving to quick or too slow). Related to a too quick runoff of surface water, streams in the surroundings are considered. The landscape where the harvest operations are executed is considered, including hill slopes and streams that can overflow. In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha. 5) Reginacork monitors the harvesting operations of its feedstock suppliers and checks the submitted field studies. These best practises are required to comply with the SBE program requirements. The best practices as stated follow the 'ICNF Handbook for forest best practices': 'In areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.'</p>
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	Indicator
2.2.7	The BP has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities.
Finding	Air legal framework includes air law and national air quality plan, being Portuguese Environment Agency the national authority. Other police authorities like SEPNA (National Republican Guard) and Nature Guards and Vigilantes, also have competencies of air pollution inspection actions. Generally, forests are considered the best use of soil compared with other land use possibilities and forest management activities are not known in the country as to cause air pollution. Major negative impacts from forests are due to forest fires which are not considered management activities. Burning forest residues at the forest site as the traditional way is prevented with forest feedstock sourcing for biomass legal framework in force at high fire hazard periods. Forest equipment must comply with EU directives about air pollution. The forestry equipment is checked by our Plant Manager. There is a checklist of a number of parameters, from operating conditions, safety, cleaning and leaks. Based on available information the requirements included in this indicator are considered low risk.
Means of Verification	Procedure 'Best practices regarding harvesting operations'. Supply contracts Check lists on feedstock suppliers and harvesting operations Assessment at an operational level of measures designed to minimise impacts on the values identified Publicly available information on the protection of air quality as APA website. Regional, publicly available data from a credible third party. The existence of a strong legal framework in the region.
Evidence Reviewed	Environmental Laws : Law n.º 19/14 de 14/04 artº10ºd) • DL nº49/05, de 24/02 artº20º • DL 197/2005, de 8/11 artº 1º, nº3 b) e nº4, Decree-Law n.º 102/2010 of 23/09 https://dre.pt/application/dir/pdf1sdip/2010/09/18600/0417704205.pdf Machinery • NP 1948, de 1994 • NP 2761, de 1988 • NP EN 13525:2005+A2:2009

Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.2.8	The BP has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated pest management (IPM) is implemented wherever possible in forest management activities (CPET S5c).
Finding	The legal framework for agrochemicals use is the Law nº 26/2013 from April 11th which applies to Portuguese context the EU Directive n.º2009/128/CE, of 21/10. Fertilisers are prescribed on some forest management systems like installation period or forest plantations, but the intensity of this use is very low according to every perspective. The implementation of this law had a very positive impact on use of agrochemicals, and included the needing of accredited training, and records (quantities, disposals, etc) to all the involved people. The use of chemicals on Portuguese forests is not common and it is very restricted to a few cases because, among others, there are few homologate products applying to the most important phytosanitary forest plagues and diseases. In this exceptional cases are pine processionary (<i>Thaumetopoea pityocampa</i>) and the eucalyptus snout beetle (<i>Gonipterus platensis</i>), but in both cases there are also other biologic and genetic measures. Based on available information the requirements included in this indicator are considered low risk.
Means of Verification	Existing legislation. Level of enforcement. Assessment at an operational level of measures designed to minimize impacts on the values identified. Monitoring record.
Evidence Reviewed	Law n.º 26/2013 de 11 /04: https://dre.pt/application/file/260367 Pine processionary official Plan: http://www.icnf.pt/portal/florestas/prag-doe/resource/doc/proc/proc-florest-2015.pdf Eucalyptus snout beetle official plan: http://www.icnf.pt/portal/florestas/prag-doe/ag-bn/gorg-eucal
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
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2.2.9	The BP has implemented appropriate control systems and procedures for verifying that methods of waste disposal minimise negative impacts on forest ecosystems (CPET S5d).
Finding	The legal framework for waste disposal is based on a recent law which applies to Portuguese context the EU Directive n.º 2008/98/CE. Portuguese Environment Agency is the national authority but other police authorities like SEPNA (National Republican Guard) and Nature Guards and Vigilantes, also have competencies of waste disposal. Also municipal authorities can apply municipal rules to implement applicable legislation. Waste disposal on forest lands exist in Portugal and it affects both private and public lands. But as it is illegal in the country there are efforts made by private ours suppliers and authorities to collect the waste and send it to final legal destination. Some of the measures used by owners include fencing of their lands, sign installation against waste disposal and formalizing complaints to authorities in case of illegal waste disposal. Based on available information the requirements included in this indicator are considered low risk.
Means of Verification	Existing legislation; Level of enforcement; Regional Best Management Practices.
Evidence Reviewed	Waste Management and Planning Official page: https://www.apambiente.pt/index.php?ref=16&subref=84 Decree-Law n.º 73/2011 de 17/06: https://www.apambiente.pt/_zdata/Politiclas/Residuos/DL_73_2011_DQR.pdf Waste National Management Plan: file:///C:/Users/imobi_000/Downloads/Projeto_PNGR_2011-2020.pdf European Waste Statistical: http://ec.europa.eu/eurostat/statistics-explained/index.php/Waste_statistics/pt
Risk Rating	Low Risk
Comment or Mitigation Measure	Waste gathering and disposal is checked during the assessment of harvesting operations.

	Indicator
2.3.1	Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.
Finding	At the stand level there are some forest producers that harvest Eucalyptus stands before the appropriate harvesting time not following the best practices and the silvicultural models defined by the PROF for each region. This is a situation that happens due to several reasons, first because forest producers want revenue from the stands as fast as possible, and also because most of the time they do not have the appropriate knowledge to understand that the stand have not reached to the optimal production level. In fact there is a small window where a forest producer is allowed to harvest the Eucalyptus by law, but the stand has not reached its optimal production according to the correct silvicultural model yet. In order to prevent those situations to happen, biomass producers should ensure that forest producers follow the appropriate silvicultural models for Eucalyptus stands. Statistical information on National Forest Inventory is fully available from IFN5 (2005) and preliminary results from IFN6 (2010). Preliminary results

	<p>from IFN6 (2010) for main species in pellet production show that: Total forest area in Mainland Portugal is 3,154,800 has of which 2,972,356 has correspond to forested area. • Eucalyptus plantations are larger Portuguese forests. Forest cover with Eucalyptus has increase 13% from 1995 to 2010 (over 90,000 has in the period to a total surface of 812,000 has in 2010; 755,355 has on forested areas) mostly on areas converted from Pinus pinaster (70,000 has in the period). Pinus Wilt Disease/Nemátodo-do-pinheiro pest, fires and economic motivations can be behind it. • Pinus pinaster forests have decrease significantly from 1995 to 2010: 27% on total surface (263,000 has in the period to a total surface of 713,000 has in 2010; 624,248 has on forested areas). 163,000 has was converted to open land, mostly related to Pinus Wilt Disease/Nemátodo-do-pinheiro pest and fires and 70,000 has to Eucalyptus plantations, which can also include economic motivations. Represents the majority of inputs in BP feedstock. Analysing statistical information available for average annual growth (AMA) from IFN5 (2005) show for Mainland Portugal: - On Eucalyptus an average annual growth of 4,375,000 m³/year based on 2005 inventory data. Currently the value will be significantly higher. Eucalyptus wood from Portugal consumption in 2014 was 5,400,000 m³ (CELPA data). Eucalyptus is fast growing specie, over 12 years, with one and only cut on the period: final clear cut. So harvesting does not compromise long-term production of the forest. - On Pinus pinaster an average annual growth of 3,650,000 m³/year based on 2005 inventory data. Currently the value will be lower. Pinus pinaster wood from Portugal harvested in 2014 was 2,247,000 m³ (Centro Pinus data). So Pinus pinaster wood available from Portugal in under AMA. - On the analysis it is relevant also to take into account that: 1. Pinus Wilt Disease/Nemátodo-da-madeira-do-pinheiro pest have affected significantly to Pinus pinaster. 2. Fires continue to be a relevant problem in Portugal. 3. Data from CentroPinus states that pine wood consumption of timber industry in 2014 was 4,360,000 m³, with a relevant data a 1,400,000 m³ for pellets, 32% of total. Also 32% of pine wood used by CentroPinus partners was imported in 2014. Percentage of imported pine wood used in 2006 was 3%. So lack of pine wood from Portugal is being covered with importations, mainly from Spain. 4. Data from CELPA states that Eucalyptus consumption of pulp and paper industry in 2014 was 7,800,000 m³ (4,980,000 m³ in 2005), of which 2,415,000 m³ were imported, mainly from Spain. So all above information shows that actual harvesting volume does not exceed sustainable values and compromises long-term economic viability of stands. Thus the risk for this indicator has been assessed as Low. Although harvest levels are not justified by inventory and growth data in many cases at a forest level.</p>
<p>Means of Verification</p>	<p>Volume and growth data and yield calculations, and Operational Practice indicate that biomass feedstock harvesting rates avoid significant negative impacts on forest productivity and long-term economic viability.</p>
<p>Evidence Reviewed</p>	<p>Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/doconf/enf) Estatísticas Agrícolas 2015.xls, Instituto Nacional Estatística (https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=271434407&PUBLICACOESmodo=2) Inventario Florestal Nacional IFN5 (FloreStat_IFN5); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin) Inventario Florestal Nacional IFN6, preliminary results (IFN6 - Resultados preliminares.pdf); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn6) Boletim-Estatístico-da-Celipa-de-2014 (http://www.celipa.pt/wp-content/uploads/2016/09/Boletim_WEB_2015.pdf) Relatório-de-Characterização-da-Fileira-Florestal-2014 (http://www.aiff.org.pt/assets/Relatorio-de-Characterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf) Fileira do Pinho: desafios e oportunidades (centroPINUS_JoaoGonçalves dados fileira pinho 2014.pdf); Centro Pinus (http://www.centropinus.org/index.php?lingua=1) Decreto lei 16-2009 planos gestão florestal (https://dre.pt/application/dir/pdf1sdip/2009/01/00900/0026800273.pdf) ; ICNF portal (http://www.icnf.pt/portal/icnf/legisl/legislacao/2009/decreto-lei-n.o-16-2009-de-14-de-janeiro.-</p>

	d.r.-n.o-9-serie-i) Normas Tecnicas Planos Gestão Florestal, ICNF portal (http://www.icnf.pt/portal/florestas/gf/pgf/resource/doc/manual/normas-tecn-PGF-AFN.pdf)
Risk Rating	Low Risk
Comment or Mitigation Measure	Reginacork takes into account the chance that a land owner wants to sell its wood (on stem) too early according to the law and best forest practices.

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	A center for forestry professional training under the direct management of the ICNF and has as main objective the training and professional enhancement, with special emphasis with regard to forestry operations. He has a decision power in forestry operations, use of machines, methods and techniques used, always giving due and necessary attention to compliance with safety, hygiene and health at work. All our suppliers provide training and qualifications for the management of forestry machines. NOTE: Portugal is a country with an old tradition on forests activities. University education is provided on the technical side with several colleges in the country. There are specific courses for field machinery operators but it is planned to be updated on the National Catalog of Formations a new training on Forestry Machinery Technician not yet available. Under this information the indicator is assessed as specified risk.
Means of Verification	Records of Reginacork field and company inspections Qualifications of employees at Reginacork Suppliers Training course Existing legislation Level of enforcement Reginacork's monitoring procedure includes checklists on feedstock suppliers and harvesting operations.
Evidence Reviewed	Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) (http://www.icnf.pt/portal/florestas/gf/cotf); (http://www.icnf.pt/portal/florestas/gf/cotf/o-q-e); (http://www.icnf.pt/portal/florestas/gf/cotf/formacao).
Risk Rating	Specified Risk
Comment or Mitigation Measure	Reginacork trains its personnel on all relevant aspects and demands the same from its feedstock suppliers. This is not always covered sufficiently by legislation. During the feedstock supplier's inspections of Reginacork, are checked: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits. Reginacork's monitoring procedure includes checklists on feedstock suppliers and harvesting operations.

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	At the regional and local level, Reginacork contributes to the increase in employment. The Reginacork contributes a lot to local employment for qualified professionals. Data from INE 2012 states that 91% of Portuguese forest sector enterprises have from 1 to 10 workers. Forest industries employ 78,000 people (12% of all Portuguese processing industry, 1.7% of Portuguese employed population) of which 10,600 work on logging companies and 20,800 on wood industry. Also annual turnover of forest sector industries was in 2012 over 7,392 M€ (2,497.6 M€ wood and furniture industry, 1,320.4 M€ cork industry and 3,574.6 M€ pulp and paper industry), representing 10% of all Portuguese processing industry. Despite the recent crisis, the forest sector has maintained its contribution, in macroeconomic terms, in terms of added value. Biomass/Feedstock with origin in Portuguese forest is supplied through domestic supply chains to BP's so economic impact related to feedstock chain from the forest, transportation, processing and BP is local. Also it is mainly complementary with other wood industries as use on their processes low quality wood (which previously it was not exploited or it was burned) or wastes from industrial processes. With all of these considerations we can conclude that biomass production contributes positively forest sector and to local economy and thus the indicator has been assessed as low.
Means of Verification	Data on Reginacork and the regional economy.
Evidence Reviewed	Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) Estatísticas Agrícolas 2015.xls, Instituto Nacional Estatística (https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=271434407&PUBLICACOESmodo=2) Relatório-de-Characterização-da-Fileira-Florestal-2014 (http://www.aiff.org.pt/assets/Relatorio-de-Characterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf) Fileira do Pinho: desafios e oportunidades (centroPINUS_JoaoGonçaves dados fileira pinho 2014.pdf); Centro Pinus (http://www.centropinus.org/index.php?lingua=1).
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.4.1	The BP has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).
Finding	In Portugal the 'health, vitality and other services provided by forest ecosystems' can be of importance to the local population. Forests can be of importance to the environment around the forests, they can reduce the impact of extreme weather, and reduce the impact of air-pollution, and noise. Poor forest management can be a direct threat to the local population (see next indicator) or create a conflict of interests. For example, it takes only one dense forest stand to improve the perception of an area, if a certain industrial object needs to be covered up (visual pollution). Forest (ecosystems) can be essential for: • Breaking hard winds and rainfall (roads and houses); • Recreation in and around the forests; • Hunting, fishing and gathering of berries and mushrooms; • Agriculture near the forests (this is of importance in Portugal). In Portugal nearly all forests are relatively small private ownership plots. One can rarely speak about any coordinated control system of the land owner as required here "appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems". The interests of the local population in the services forest ecosystems provide are practically never taken into account by the private forest owners. Reginacork is of the opinion that general data and certain statistical averages in certain areas do not make a biomass supplier comply with this requirement. To solve this point, the opinion of local residents and organisations about the quality of the forest management of the land owner, and the present harvesting and regeneration plans need to be taken into account. Small adjustments to a forestry plan can make a large difference to them. For example, not cutting an old tree with exceptional esthetic / recreational value. Although there is a specified risk for insufficient assessment of the impact of harvesting operations that replace (destroy) the existing forest ecosystem, nearly all risks are addressed by other indicators (with specified risk), such as indicators 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6, 2.4.2, and 2.6.1. In addition to measures taken to comply with the specified risks of other indicators, to comply with indicator 2.4.1 the possible impacts of the harvest operations on the forest and its surroundings are assessed (before the harvesting operations commence), not only in relation to the environment, but also in relation to the interests of the local population, farmers, and people interested in recreation.
Means of Verification	Reginacork's Evaluation of the risks and possible impacts of harvesting operations (EoR) Manifest. Field Study Suppliers. Overall evaluation of potential impacts of operations on forest ecosystem health and vitality Assessment of potential impacts at operational level and of measures to minimise impacts. Regional Best Management Practices. Supply contracts. Interviews with local people.
Evidence Reviewed	Estratégia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) UNECE, Forest Europe report 2011 (https://www.unece.org/fileadmin/DAM/publications/timber/Forest_Europe_report_2011_web.pdf) Programa Operacional de Sanidade Florestal, ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/posf) Fitossanidade florestal. Divulgação e informação, ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/divulg) Programas de Monitorização e Controlo de Pragas e Doenças, ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/resource/img/apr-progr-monit-c-pragas-e-d/view) Medias Controlo Nemátodo-da-Madeira-do-Pinheiro_03_2015, ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/resource/doc/divul/apresentacoes/2015-03-12/NMP_03_2015.pdf) Inventario Florestal Nacional IFN5 (FloreStat_IFN5); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin) Inventario Florestal Nacional IFN6,

	preliminary results (IFN6 - Resultados preliminares.pdf); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn6) Relatório-de-Characterização-da-Fileira-Florestal-2014 (http://www.aiff.org.pt/assets/Relatorio-de-Characterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf) Quercus NGO Manifesto da Quercus pelas florestas (http://www.quercus.pt/documentos-floresta/2955-manifesto-da-quercus-pela-florestas).
Risk Rating	Specified Risk
Comment or Mitigation Measure	1) Feedstock suppliers are trained to recognise health, vitality and other services provided by forest ecosystems. 2) The harvesting teams inspect visually the plot and the surroundings and report on the results (make photos). Reginacork demands its field study from all feedstock suppliers, which addresses these environmental services. Best practises are used. Many of the relevant risks are addressed by other indicators (with specified risk), such as indicators 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2. 3) The possible impacts of the harvest operations on the forest and its surroundings are assessed (before the harvesting operations commence), not only in relation to the environment, but also in relation to the interests of the local population, farmers, and people interested in recreation. Reginacork underlines that these services can be of importance to the local population. Forests can be of importance to the environment around the forests, they can reduce the impact of extreme weather, and reduce the impact of air and 'visual' pollution, as well as noise. Forest services that need to be considered: a. Breaking hard winds and rainfall (regarding roads and houses); b. Recreation in and around the forests; c. Hunting, fishing and gathering of berries and mushrooms; d. Agriculture near the forests (this is of importance in Portugal). 4) Reginacork monitors the harvesting operations of its feedstock suppliers and checks the submitted Field Studies. It checks with stakeholders if there are any complaints (see also below 2.6.1).

	Indicator
2.4.2	The BP has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).
Finding	Pests, diseases and fires are today the greatest perceived risks in the Portuguese forest sector. As stated in previous indicator biotic and abiotic risks are supported by disturbances affect in 2011 24% of the forest area, generated by a regressive vicious cycle that combines fire, 'seca', pests, diseases and invasive species. The national program for forest fire protection (PNDFCI) establishes various levels (national, regional, municipal and local) in order to create a network of forest fire prevention (primary and secondary on public level and tertiary on forest owner level). This system aims to compartmentalize extensive woodlands and contribute to the containment and firefighting. The identification of these elements is defined in the various plans in force particularly in the Forestry Management Regional Plans (PROF) and Forest Defense Municipal Plans Against Fires (PMDFCI), which also define the responsibilities for its implementation on field. In terms of forest owners are defined in Forest Management Plans and related (PEIF, PUB). Private forest lands can be grouped into Forest Intervention Areas (ZIFs), forest policy instrument to ensure efficient management of forests at the landscape scale and the consistent application of public support for forestry

	<p>development. ZIFs are continuous land area, with a majority of forest areas, subject to a Forest Management Plan and a Defense Plan for Forest and managed by a single entity. Until July 2016 they are constituted 179 ZIF, covering 924,447 hectares of territory. One of the objectives of ZIFs is to reduce the conditions of ignition and fire spread implementing on the field planned measures. Field implementation of planned measures is uneven in Portugal. Also fires are the greatest perceived risks in the Portuguese forest sector as it recognized by public administration. On the above information specified risk is assessed on the fire management at forest level There are enforcement and monitoring on the performance of our part: harvest, transporters and warehouses. Every step need of official document.</p>
Means of Verification	<p>Reginacork's Evaluation of the risks and possible impacts of harvesting operations (EoR). Field Study Supplier. Regional Best Management Practices. Supply contracts. Assessment of potential impacts at operational level and of measures to minimise impacts. Regional, publicly available data from a credible third party. The existence of a strong legal framework in the region.</p>
Evidence Reviewed	<p>Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/doeref/enf) Programa Operacional de Sanidade Florestal, ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/posf) Fitossanidade florestal. Divulgação e informação, ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/divulg) Programas de Monitorização e Controlo de Pragas e Doenças, ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/resource/img/apr-progr-monit-c-pragas-e-d/view) Medias Controlo Nemátodo-da-Madeira-do-Pinheiro_03_2015, ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/resource/doc/divul/apresentacoes/2015-03-12/NMP_03_2015.pdf) Decreto lei 123-2015 nematodo do Pinheiro (https://dre.pt/application/file/67649256) ; ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/ag-bn/nmp) Declaração Retificação n.º 38/2015 de 01/09 (https://dre.pt/application/file/70144398) Inventario Florestal Nacional IFN5 (FloreStat_IFN5); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin) Inventario Florestal Nacional IFN6, preliminary results (IFN6 - Resultados preliminares.pdf); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn6) Plano Nacional de Defesa da Floresta Contra Incêndios (https://dre.pt/application/dir/pdf1sdip/2006/05/102B00/35113559.pdf); ICNF portal (http://www.icnf.pt/portal/florestas/dfci/planos/PNDFCI) Zonas de Intervenção Florestal, ICNF portal (http://www.icnf.pt/portal/florestas/gf/zif/sit-ger-inf) Relatório-de- Caracterização-da-Fileira-Florestal-2014 (http://www.aiff.org.pt/assets/Relatorio-de- Caracterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf).</p>
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>1) Reginacork studies data (from publicly available information, researches and programs) for harvesting teams on risks and regulations regarding fires, pests and diseases. This information is given to all feedstock suppliers. 2) Feedstock suppliers are trained to recognise poor forest management and on mitigation measures. 3) The harvesting teams inspect visually the plot and make photos. Reginacork demands its field study from all feedstock suppliers, in which this point is addressed. Feedstock suppliers inspect if the plot was managed well on these points, if not, the feedstock is not considered compliant to the SBE program (will not become SBP-compliant feedstock). 4) Best practises are used by the harvesting teams regarding management of fires, pests and diseases. These include: a. Traps for NMP (Pine Wood Nematode (<i>Bursaphelenchus xylophilus</i>, and its vector the insect <i>Monochamus galloprovincialis</i>) b. Use of net (cover) during transport of wood in the period insect vector NMP c.</p>

	<p>Phytopharmaceutical application on the ground d. Crushing of the same wood with no lead time of 2, 3 days. wood with symptoms. e. Ensure that all suppliers have an economic operator registration. f. Reginacork only accept the raw material with the manifest. g. Cleaning of all utensils and machinery used in the handling of woody material. h. Application of good forest practices to avoid a spread of this pest. 5) Reginacork monitors the harvesting operations of its feedstock suppliers and checks the submitted field studies. Sufficient management by the forest owner, and best practises by the harvesting teams are required to comply with the SBE program requirements.</p>
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	Indicator
2.4.3	The BP has implemented appropriate control systems and procedures for verifying that there is adequate protection of the forest from unauthorised activities, such as illegal logging, mining and encroachment (CPET S7c).
Finding	Unauthorized activities such as illegal logging, mining and encroachment are not a significant problem in Portugal. There are low scale problems as illegal littering, loose dogs, unauthorized sports, theft of firewood, wood or fruits, poaching. Illegal or unauthorised activities in Portuguese forests generally have limited economic or biological impact. There are also some problems related to Conversion which can be catalogued under unauthorized activities but they are described in its corresponding indicator (2.1.3). The indicator has been assessed as low.
Means of Verification	Records of Reginacork field inspections. Publicly available information (News and media).
Evidence Reviewed	ILLEGAL LOGGING PORTAL, Portugal (http://www.illegal-logging.info/regions/portugal) Transparency international, corruption perception index Portugal (https://www.transparency.org/country/#PRT)
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.5.1	The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected (CPET S9).
Finding	97% of Portuguese forests are private (See also indicator 2.4.1). Approximated number of private owners in Portugal is over 500,000. 8% of private forest are under communitarian

	<p>management (Baldios) based in old customary and traditional tenure and rights and regulated by specific law. As most of the country forest is under private property civil code is applied which includes the following rights: • - to use; • - to transform; • - to exclude and defend including the rights to delimitation, prohibition and defense. • - to return and compensation; • - to sale. These rights are applied to the most part of forest resources and to all of the wood resources. Customary rights consist, as stated in the indicator description, as habitual, repeated and “normal” activities. This has to do with access to water sources established for a long time as practice, passage through private property that is used traditionally by a certain community. Customary rights don’t consist on in the collection of mushrooms, plants or pine cones in a property belonging to a third party, unless this practice is perceived and seen by the community, as a traditional practice. The owner as the right over its own property. This customary right does not include licensed fenced properties for cattle or big game hunting zones. Car circulation is limited to public use roads and/or public domain waters and other specific situations. Over the years, legislation about private things of free use became regulated and some of them of private use. Several situations may happen, for example the pine cones were of free use until forty years ago when it became private. Another example is the game hunting which is still a public thing but private entities can pay for a hunting concession to manage it. Conflicts may exist between land owners rights based on the private things defense against the customary rights of accessing and free use recollection, as no specific legislation was updated about this issue. These conflicts may become more relevant where resources are easy to steal, like pine cones or other NTFP-Non Timber Forest Products. In the ground situations of use and abuse of fences and inadequate signs are common, including closed gates. In those situations, customary rights could maybe be disrespected. The customary right is described in the article 348th of the Portuguese civil code. The interpretation of laws is described in the article 9th of the Portuguese civil code. In the case of community areas, specific legislation regulates rights of use of common forest areas. (Lei dos Baldios).</p>
Means of Verification	<p>Evaluation of the risks and possible impacts of harvesting operations (EoR). Field study suppliers. Customary use rights are identified and documented. Appropriate Reginacork mechanisms exist to resolve disputes.</p>
Evidence Reviewed	<p>Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) Lei nº 68-93 Baldios (http://www.proder.pt/ResourcesUser/Legisla%C3%A7%C3%A3o/Nacional/Lein%C2%BA68-93.pdf) Coelho, I.S. (2003) Propriedade da Terra e Política Florestal em Portugal (http://www.scielo.mec.pt/pdf/slu/v11n2/v11n2a05.pdf) Dec-Law n.º 254/2009 of 24/09 (http://www.proder.pt/ResourcesUser/Legisla%C3%A7%C3%A3o/Nacional/Decreto-Lein%C2%BA254-2009.pdf) Law n.º 12/2012 of 13/03 (https://dre.pt/application/dir/pdf1sdip/2012/03/05200/0110301103.pdf) Port. n.o 247/2001 of 22/03 (https://dre.pt/application/dir/pdf1sdip/2001/03/069B00/16111612.pdf)</p>
Risk Rating	<p>Specified Risk</p>
Comment or Mitigation Measure	<p>1) Feedstock suppliers are trained to recognise possible issues with legal, customary and traditional tenure and use rights. 2) The harvesting teams inspect visually the plot, make photos and report on the results. Reginacork demands its field study from all feedstock suppliers. This aspect is addressed. If the land area to be harvested is fenced, moreover, if it has been fenced recently, the opinion of residents is assessed. Abuse of fences, blocked roads, and inadequate signs could make the feedstock non-compliant in the SBE program. 3) Reginacork monitors the harvesting operations of its feedstock suppliers and checks the assessment results of its suppliers. By addressing sustainable forest management and</p>

	making an extra effort on indicators 1.2.1, 2.4.1, and 2.6.1, Reginacork integrates respecting the interests of local people into its main procedures. There are no indigenous people in Portugal nor minorities dependant on forests for their livelihood. This specified risk doesn't include the licensed cattle parks or big game hunting areas.
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	Indicator
2.5.2	The BP has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfillment of basic needs.
Finding	Subsistence needs for local communities are assessed as being not applicable for Portugal.
Means of Verification	---
Evidence Reviewed	---
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.6.1	The BP has implemented appropriate control systems and procedures for verifying that 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.
Finding	Although this risk is addressed in the general legal framework of Portugal, Reginacork is of the opinion that this indicator needs additional attention as a 'safety net', in order to perform well on other indicators, which are categorised 'specified risk'. Most harvesting companies working in the forest sector do not have complaint and comment procedures, not journals. Because of the very large number of land owners with small forested properties in Portugal, and, for example, the lack of cadastral in some regions of the country, Reginacork actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before the harvesting operations commence. The procedures assess the work of Reginacork's harvesting teams and

	<p>feedstock suppliers. The feedstock suppliers are also required to actively implement a complaint procedure and keep records (which are checked). Reginacork takes seriously any complaint of any person or organisation considering harvesting operations. This also improves performance on respecting local interests (HCV 5) and cultural values (HCV 6). Grievances and disputes, including those relating to tenure and use rights, forest management practices and work conditions in Portugal are regulated by laws. Legal framework includes the Portuguese Constitution, the Labour Code and other specific regulations. The detailed procedures, duties and responsibilities of involved persons are defined in both legislation and other legal regulations. Legislation and justice system provides a route for appeal should people or companies be dissatisfied with the outcome of the dispute resolution process. Land tenure and use rights are object of Civil Code, being land tenure included on private property rights on Constitution article 62th. These rights include communitarian forests and also Forest Renting/leasing contracts. Disputes about forest management practices would involve forest authorities ICNF on both public and private forests. Specific forest management practices should be included on renting and forest services contracts as harvesting contracts. The disputes related to work conditions shall be resolved according to administrative procedures and labour legislation. Trade unions may help in disputes over work conditions. Reginacork have an internal procedure for resolving grievances and disputes ' Registo e Tratamento de Reclamações e Devoluções': Firstly our specialist need to collect this information: • Identification of the plot / area (building permit); • Identification of the owner (citizen card); • Proof of the relationship between the seller and the land in question; • Mapping; • Formalization of the business through a purchase and sale agreement between the parties; • Invoice or self-invoice if the seller can not do it. In addition to the information collected, at least one site visit is always conducted with the owner or his representative, where information is taken about: • Type of vegetation / species; • Ground boundaries / Confrontations; • Accesses. This procedure also indicates the resolution of grievances and disputes, including those relating to tenure and land use rights to forest (or land) management practices and working conditions. Whenever any of the above occurs, the technical responsible is contacted and called to the location whenever necessary. In the case of Work Accidents, Theft and Forest Fires and after ascertaining the severity of the situation are contacted the competent entities, as well as the Department of Hygiene, Security of the company. In case of Failures or maintenance, the means are put on the ground in order to solve the situation. These means can be from the company itself or from the company representative of the equipment. In case of Complaint related to court, the person in charge of the company meets at the place of court with all parties involved (seller / claimant or other). When the facts are proven and all parties are heard, the responsible person decides to adjust the business according to what happened. The closing of the complaint can be done in two ways: • If the claimant understands the purchase, the remaining portion. That is, a new buying process is opened where one makes the acquisition of what was cut by lapse together with what is standing; • The claimant does not accept to sell the remaining portion. The wood cut is evaluated and paid to the owner considering the occurrence as a payment of damages to the owner.</p>
<p>Means of Verification</p>	<p>Reginacork's 'Procedure on the legality and origin of raw material'. Existing legal systems. Level of enforcement. Forest Best Management Practices. Renting and harvesting contracts.</p>
<p>Evidence Reviewed</p>	<p>Labour Code: Law n.º 7/09 12/02 (http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx Portuguese Constitution Civil Code: http://www.pgdlisboa.pt/leis/lei_mostra_articulado.php?nid=775&tabela=leis</p>

Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>1) Reginacork actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before the harvesting operations commence (or not to buy from the disputed plots). 2) Reginacork makes clear to the local population that any complaint or comment related to feedstock supply is taken very seriously (via website and other communications). Reginacork takes seriously any complaint of any person or organisation considering harvesting operations. This also ensures sufficient performance on respecting local interests (HCV 5) and cultural values (HCV 6). 3) Reginacork has a complaint procedure and keep records. The feedstock suppliers are also (contractually) required to actively implement a complaint procedure and keep records. Reginacork demands its field study from all feedstock suppliers, in which the interests of local population are assessed. 4) Reginacork monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. It checks with relevant stakeholders, such as land owners, if no comments were submitted, or if the complaints were dealt with sufficiently. 5) The results of the inspections of Reginacork have direct influence on the 'SBE program approved' status of feedstock suppliers.</p>

	Indicator
2.7.1	<p>The BP has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.</p>
Finding	<p>Portugal has signed the ILO fundamental conventions, which includes the C87 Freedom of Association and Protection of the Right to Organize Convention (1948) on 1977th and C98 Right to Organize and Collective Bargaining Convention (1949) on 1964. This right is included on Portuguese constitution on article 56. Most part of working activities is covered by an annual working collective convention, which includes the forest sector. International Trade Union Confederation (IUTC) ranks 139 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. Portugal has a rating of 3, from 1 to 5+, in the ITUC Global Rights Index 2014. This score is given for countries where: (There are) 'Regular violation of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.' Authority directly involved on employment rights and conditions is Work Conditions Authority (ACT) but for many reasons other authorities are related to the issue, as Immigration and Borders Services (SEF) social security services or even tax services. All of them can make inspections to different issues related to work, with the joining of policies authorities as GNR-Republican National Guard and PSP-Public Security Police. ACT has strategic Plans for Agriculture and Forest activities and also does integrated inspections with Spanish authorities for agriculture and forestry activities. Recently one notice state that ACT bought a drone to help agriculture and forestry inspections. Inspective activities of ACT and SEF result on penalties or suspensions when illegal situations are found. It wasn't found law violations identified on the right of freedom of association and collective bargaining in Portuguese forest sector.</p>

Means of Verification	Legislation. Level of enforcement. Portuguese constitution. Regional, publicly available data from a credible third party. Publicly available information (News and media).
Evidence Reviewed	<p>Agriculture, Food and Forest Union: http://www.setaa.pt/index.php/Geral/ Boletim do Trabalho e Emprego: http://bte.gep.msess.gov.pt/ ; http://www.gep.msess.gov.pt/completos/2016/bte4_2016.pdf WWW.ILO: http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO::P13100_COMMENT_ID,P13100_LANG_CODE:3253858,en:NO Overview of ILO convention ratifications by Portugal: http://www.ilo.org/public/portugue/region/eurpro/lisbon/html/portugal_convencoes_numero_pt.htm ITUC Global RIGHTS Index The woRld's woRst CoUnTRies foR workers: http://www.ituc-csi.org/IMG/pdf/survey_ra_2014_eng_v2.pdf Labor Code• Law n.º 7/09 12/02 and updates like L69/13, de 30/08 includes collective convention http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx Portuguese Constitution Government sources: SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/asp/noticias/Noticias_Detalhe.aspx?id_linha=7018 http://www.sef.pt/portal/v10/PT/asp/noticias/Noticias_Detalhe.aspx?id_linha=6802 ACT Annual Reports: http://www.act.gov.pt/(pt-PT)/SobreACT/DocumentosOrientadores/RelatorioActividades/Paginas/default.aspx News about ACT inspective work including forest: http://www.act.gov.pt/(pt-PT)/Itens/Noticias/Paginas/ACTeInspe%C3%A7%C3%A3odoTrabalhodeEspanhaema%C3%A7%C3%B5escounjuntas.aspx http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-do-trabalho-gera-polemica ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT)/Campanhas/Campanhasrealizadas/Trabalho_Agricola_Florestal/Documents/Relat%C3%B3rio%20-%20Plano%20a%C3%A7%C3%A3o%20setor%20agr%C3%ADcola%20e%20florestal.pdf</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.7.2	The BP has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.
Finding	Portugal has ratified the convention against forced labour (nº29) in 1956. Portuguese legislation is applied against any form of compulsory labour in accordance with Article 160 of the Criminal Code, one who offers, gives, servicemen, calls accepts, transports, harbours or receives a person for the purpose of exploitation, including sexual exploitation, labour exploitation, begging, slavery, harvest organs or other exploitation by criminal activities and

	<p>he / she has abused the authority resulting from a hierarchical relationship of dependency (whether financial, family or work related) is punished with imprisonment of three to ten years. Source: § (Article 160 of Decree-Law No. 400/82 Penal Code amended by Law No. 59/2007 and Law No. 60/2013) International Trade Union Confederation (IUTC) ranks 139 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. Portugal has a rating of 3, from 1 to 5+, in the ITUC Global Rights Index 2014. This score is given for countries where: (There are) 'Regular violation of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.' Some cases of compulsory labour were found on agriculture activities on recent years, and same data is available about those cases on Observatory on Traffic in Human Beings Reports. Authority directly involved on employment rights and conditions is Work Conditions Authority (ACT) but for many reasons other authorities are related to the issue, as Immigration and Borders Services (SEF) social security services or even tax services. All of them can make inspections to different issues related to work, with the joining of policies authorities as GNR-Republican National Guard and PSP-Public Security Police. ACT has strategic Plans for Agriculture and Forest activities and also does integrated inspections with Spanish authorities for agriculture and forestry activities. Recently one notice state that ACT bought a drone to help agriculture and forestry inspections. Inspective activities of ACT and SEF result on penalties or suspensions when illegal situations are found. Nevertheless, in forestry there wasn't found any evidence confirming the existence of risks of compulsory and/or forced labour in Portugal. According to the available information this indicator is classified as low risk.</p>
<p>Means of Verification</p>	<p>Legislation. Level of enforcement. Regional, publicly available data from a credible third party. Publicly available information (News and media).</p>
<p>Evidence Reviewed</p>	<p>III National Plan to Prevent and Combat Trafficking in Human Beings 2014-2017 at http://www.igualdade.gov.pt/images/stories/documentos/legislacao/legislacao/Planos_Nacionais/2014-2017-iii-pnpc-tsh-en.pdf Observatory on Traffic in Human Beings: http://www.otsh.mai.gov.pt/Recursos/Pages/default.aspx Reports of Observatory on Traffic in Human Beings: 2015 ; 2014 ; 2013; 2012 ; 2011 Overview of ILO convention ratifications by Portugal: http://www.ilo.org/public/portugue/region/eurpro/lisbon/html/portugal_convencoes_numero_pt.htm ITUC Global RIGHTS Index The woRld's woRst CoUnTRies foR workers: http://www.ituc-csi.org/IMG/pdf/survey_ra_2014_eng_v2.pdf Government sources: SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/asp/Noticias/Noticias_Detalhe.aspx?id_linha=7018 http://www.sef.pt/portal/v10/PT/asp/Noticias/Noticias_Detalhe.aspx?id_linha=6802 ACT Annual Reports: http://www.act.gov.pt/(pt-PT)/SobreACT/DocumentosOrientadores/RelatorioActividades/Paginas/default.aspx News about ACT inspective work including forest: http://www.act.gov.pt/(pt-PT)/Itens/Noticias/Paginas/ACTeInspe%C3%A7%C3%A3odoTrabalhodeEspanhaema%C3%A7%C3%B5esconjuntas.aspx http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-do-trabalho-gera-polemica ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT)/Campanhas/Campanhasrealizadas/Trabalho_Agricola_Florestal/Documents/Relat%C3%B3rio%20-%20Plano%20a%C3%A7%C3%A3o%20setor%20agr%C3%ADcola%20e%20florestal.pdf</p>
<p>Risk Rating</p>	<p>Low Risk</p>

Comment or Mitigation Measure	Portugal has some problem with illegal working in the agricultural sector, but these problems were not detected in forest sector (yet). Reginacork does pay attention to this point during the monitoring assessment.
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	Indicator
2.7.3	The BP has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Finding	<p>In Portugal the minimum age for employment is 16 years. A minor of 16-year-old can't be used to carry out a paid activity delivered with autonomy unless he / she has completed compulsory education or is enrolled and attending secondary education, and is a work light. This light work should consist of simple tasks and is not likely to adversely affect the physical integrity, safety and health, school attendance, or their, moral, psychological, intellectual and cultural physical well-being. (Art.le 66-83 of the Labour Code) 2009. Portugal has ratified Minimum Age Convention (1973) C138 in 1989th and the convention C182 Worst Forms of Child Labour Convention (1999) on 2000th. International Trade Union Confederation (IUTC) ranks 139 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. Portugal has a rating of 3, from 1 to 5+, in the ITUC Global Rights Index 2014. This score is given for countries where: (There are) 'Regular violation of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.' UNICEF report 2012 'Measuring Child Poverty was rating 14,7% of Portuguese children below 16 years age as below 'poverty line'. Robust data about child labour are not recent, as the last official inquiry report is from 2001, and the results were not positive as 4,1% of children of the study were affected by child labour (CNAsti), with half of this proportion related to agriculture. 2015: FSC Portugal CNRA report states 'Despite evidence of some (remaining) cases of child labour, there is evidence that this problem is not structural nor of large size. No evidence found of cases of child labour in the forest sector. The national CWRA explicitly mentions 'child labour in the forest sector in Portugal is very low'. There is evidence that the number of minors working illegally is rather insignificant. Authority directly involved on employment rights and conditions is Work Conditions Authority (ACT) but for many reasons other authorities are related to the issue, as Immigration and Borders Services (SEF) social security services or even tax services. All of them can make inspections to different issues related to work, with the joining of policies authorities as GNR-Republican National Guard and PSP-Public Security Police. ACT has strategic Plans for Agriculture and Forest activities and also does integrated inspections with Spanish authorities for agriculture and forestry activities. Recently one notice state that ACT bought a drone to help agriculture and forestry inspections. Inspective activities of ACT and SEF result on penalties or suspensions when illegal situations are found. Based on the available information it wasn't found any evidence confirming the existence of risks of child labour in forestry in Portugal.</p>
Means of Verification	Reginacork suppliers work contracts. Existing legislation. Level of enforcement. Regional, publicly available data from a credible third party. Publicly available information (News and media).

Evidence Reviewed	<p>Legislation: Labor Code: Law n.º 7/09 from 12/02 http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx Law n.º 47/2012, de 29/08 at http://www.cnasti.pt/cnasti/documentos/1403451265.pdf Decree Republic President 28/2000 1/06 at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_182.pdf Republic Assembly Resolution 11/98 at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_138.pdf Government sources: SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/asp/noticias/Noticias_Detalhe.aspx?id_linha=7018 http://www.sef.pt/portal/v10/PT/asp/noticias/Noticias_Detalhe.aspx?id_linha=6802 ACT Annual Reports: http://www.act.gov.pt/(pt-PT)/SobreACT/DocumentosOrientadores/RelatorioActividades/Paginas/default.aspx News about ACT inspective work including forest: http://www.act.gov.pt/(pt-PT)/Itens/Noticias/Paginas/ACTeInspe%C3%A7%C3%A3odoTrabalhodeEspanhaema%C3%A7%C3%B5esconjuntas.aspx http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-do-trabalho-gera-polemica ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT)/Campanhas/Campanhasrealizadas/Trabalho_Agricola_Florestal/Documents/Relat%C3%B3rio%20-%20Plano%20a%C3%A7%C3%A3o%20setor%20agr%C3%ADcola%20e%20florestal.pdf Other Sources: Overview of ILO convention ratifications by Portugal: http://www.ilo.org/public/portugue/region/eurpro/lisbon/html/portugal_convencoes_numero_pt.htm Social characterization of aggregates Portuguese Family with Children in School Age http://www.cnasti.pt/cnasti/documentos/1403450788.pdf UNICEF Innocenti Research Centre (2012), 'Measuring Child Poverty: New league tables of child poverty in the world's rich countries', Innocenti Report Card 10, UNICEF Innocenti Research Centre, Florence at ITUC Global RIGhTs Index The woRld's woRst CoUnTRies foR workers: http://www.ituc-csi.org/IMG/pdf/survey_ra_2014_eng_v2.pdf</p>
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.7.4	The BP has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using labour which is discriminated against in respect of employment and occupation.
Finding	Protection against discrimination in labour is included in Portuguese constitution (Article 55th), and labour code. Portugal has ratified ILO convention about discrimination on work and career C111 (1958) on year 1959th. Also convention about equal remuneration C100 was ratified on year 1966th. Portugal is well positioned at majority of international reports: • Corruption Perception Index scores 63 meaning low perceived level of corruption; • Worldwide

	<p>Governance Indicators (WGI) from 73.3 to 84.13 (1-100points) • The WGI report six aggregate governance indicators for over 200 countries and territories over the period 1996-2014, covering i) Voice and Accountability, ii) Political Stability and Absence of Violence/Terrorism, iii) Government Effectiveness, iv) Regulatory Quality, v) Rule of Law, and vi) Control of Corruption. • Free country on press, net, political rights and civil liberties. On the other side Portugal (including human rights, illegal logging , forest and timber) is not listed in alarming reports or indexes such as: • Committee to Protect Journalists Impunity Index; • Human Rights Watch; • Global Witness • Chatham House • Amnesty International Some observations were found about women discrimination on jobs and remuneration and gender pay gap (see below Direct Request (CEACR) - adopted 2014, published 104th ILC session (2015) Equal Remuneration Convention, 1951 (No. 100) – Portugal). Also discrimination episodes were found against Roma and LGB (see below Amnesty International 2014/2015 report The State of the World’s Human Rights) but not related to work activities. Authority directly involved on employment rights and conditions is Work Conditions Authority (ACT) but for many reasons other authorities are related to the issue, as Immigration and Borders Services (SEF) social security services or even tax services. All of them can make inspections to different issues related to work, with the joining of policies authorities as GNR-Republican National Guard and PSP-Public Security Police. ACT has strategic Plans for Agriculture and Forest activities and also does integrated inspections with Spanish authorities for agriculture and forestry activities. Recently one notice state that ACT bought a drone to help agriculture and forestry inspections. Inspective activities of ACT and SEF result on penalties or suspensions when illegal situations are found. Based on the available information, it wasn’t found any evidence that confirms the existence of risks of discrimination against in respect of employment and occupation in forestry in Portugal.</p>
<p>Means of Verification</p>	<p>Existing legislation. Level of enforcement. Regional, publicly available data from a credible third party. Publicly available information (News and media).</p>
<p>Evidence Reviewed</p>	<p>Legislation: •Portuguese Constitution •Labor Code•Law n.º 7/09 from 12/02 http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx •Dec-Law 42520/1959 23/09 at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_111.pdf •Dec-Law 47 302/1966 on 04/11 at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_100.pdf Other sources: •Transparency International http://www.transparency.org/cpi2015#map-container •UN Sanctions List at: https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list •World Bank: Worldwide Governance Indicators http://info.worldbank.org/governance/wgi/index.aspx#countryReports •Freedom house: https://freedomhouse.org/report/freedom-world/freedom-world-2016 •Committee to Protect Journalists https://www.cpj.org/reports/2014/04/impunity-index-getting-away-with-murder.php •Human Rights Watch: http://www.hrw.org/world-report/2015 •Global Witness: www.globalwitness.org Chattam House Illegal Logging Indicators Country Report Card http://www.illegal-logging.info •Amnesty International 2014/2015 report: https://www.amnesty.org/en/documents/pol10/0001/2015/en/ •Direct Request (CEACR) - adopted 2014, published 104th ILC session (2015) Equal Remuneration Convention, 1951 (No. 100) – Portugal http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:13100:0::NO::P13100_COMMENT_ID:3186668 •Overview of ILO convention ratifications by Portugal: http://www.ilo.org/public/portugue/region/eurpro/lisbon/html/portugal_convencoes_numero_pt.htm SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/asp/noticias/Noticias_Detalhe.aspx?id_linha=7018 http://www.sef.pt/portal/v10/PT/asp/noticias/Noticias_Detalhe.aspx?id_linha=6802 ACT</p>

	Annual Reports: http://www.act.gov.pt/(pt-PT)/SobreACT/DocumentosOrientadores/RelatorioActividades/Paginas/default.aspx News about ACT inspective work including forest: http://www.act.gov.pt/(pt-PT)/Itens/Noticias/Paginas/ACTeInspe%C3%A7%C3%A3odoTrabalhodeEspanhaema%C3%A7%C3%B5esconjuntas.aspx http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-do-trabalho-gera-polemica ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT)/Campanhas/Campanhasrealizadas/Trabalho_Agricola_Florestal/Documents/Relat%C3%B3rio%20-%20Plano%20a%C3%A7%C3%A3o%20setor%20agr%C3%ADcola%20e%20florestal.pdf
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.7.5	The BP has implemented appropriate control systems and procedures for verifying that feedstock is supplied using labour where the pay and employment conditions are fair and meet, or exceed, minimum requirements.
Finding	Minimum wage is included in Portuguese constitution (Article 59th), and labour code. Portugal has ratified ILO convention about minimum wage C131 (1970) on year 1981th. Also convention about salary protection C95 was ratified on year 1981th. Payment and employment conditions are included and are updated on labour code. Authority directly involved on employment conditions is Work Conditions Authority (ACT) but for many reasons other authorities are related to the issue, as Immigration and Borders Services (SEF) social security services or even tax services. All of them can make inspections to different issues related to work, with the joining of policies authorities as GNR-Republican National Guard and PSP-Public Security Police. ACT has strategic Plans for Agriculture and Forest activities and also does integrated inspections with Spanish authorities for agriculture and forestry activities. Recently one notice state that ACT bought a drone to help agriculture and forestry inspections. Inspective activities of ACT and SEF result on penalties or suspensions when illegal situations are found. According to the available information about employment conditions, there is a legal framework in the country, and there are legal authorities to enforce legislation. So it is considered that Portugal has low risk that pay and employment conditions are not fair and doesn't meet, or exceed, minimum requirements.
Means of Verification	Work contracts. Existing legislation. Level of enforcement. Regional, publicly available data from a credible third party. Publicly available information (News and media).

<p>Evidence Reviewed</p>	<p>Legislation: •Portuguese Constitution •Labor Code •Law n.º 7/09 from 12/02 http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx Dec-Law: 77/81 on 19/06 at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_131.pdf Dec-Law: 88/81 on 14/07 at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_95.pdf Government sources: SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/asp/noticias/Noticias_Detalhe.aspx?id_linha=7018 http://www.sef.pt/portal/v10/PT/asp/noticias/Noticias_Detalhe.aspx?id_linha=6802 ACT Annual Reports: http://www.act.gov.pt/(pt-PT)/SobreACT/DocumentosOrientadores/RelatorioActividades/Paginas/default.aspx News about ACT inspective work including forest: http://www.act.gov.pt/(pt-PT)/Itens/Noticias/Paginas/ACTeInspe%C3%A7%C3%A3odoTrabalhodeEspanhaema%C3%A7%C3%B5esconjuntas.aspx http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-do-trabalho-gera-polemica ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT)/Campanhas/Campanhasrealizadas/Trabalho_Agricola_Florestal/Documents/Relat%C3%B3rio%20-%20Plano%20a%C3%A7%C3%A3o%20setor%20agr%C3%ADcola%20e%20florestal.pdf</p>
<p>Risk Rating</p>	<p>Low Risk</p>
<p>Comment or Mitigation Measure</p>	<p>---</p>

	Indicator
<p>2.8.1</p>	<p>The BP 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).</p>
<p>Finding</p>	<p>Reginacork has a rigorous control system and adequate procedures on the health and safety of forest workers. Reginacork (contractually) demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring inspections. Portugal has ratified convention ILO 184 on 2012, about agriculture health and safety in agriculture which includes forestry activities with exception of industrial forest harvesting. ILO forestry H & S code includes some of forestry activities on 'high risk operations' such as climbing above 3m, but in Portuguese legislation any forestry activity is included on legal list of 'High Risk Activity'. Work legislation aims to create a safe and healthy work environment at all times in accordance with society's technical and social development. Historically, a risk under this category has been present based on a low level of compliance with the requirements for accreditation and/or professional training. In recent years, many obligations have changed and private entities have started to develop courses for some activities of forest workers (for example for chainsaw, machinery or phytopharmaceuticals users). Legal authority for work health and safety is ACT (Working Conditions Authority), who as an inspective role on the</p>

	<p>ground. ACT promoted the development of the Strategic Action Plan for Agriculture, livestock and Forestry sectors from 2012 to 2015 producing the assessment report for this initiative (see report). From the execution of this plan 6 informative leaflets were produced as well as 8 instruments for the application of the respective law framework (checklists). The plan involved the participation of several social partners as well as public partners which can be consulted in the report. An estimate of 9000 employers and employees were reached throughout the development of this plan as well as 560 associative managers and technicians. The plan also comprised an inspective component materialized on 1700 inspections over 3 years reaching to 10 000 workers. Reginacork have a specialist in hygiene and safety at work. This specialist has a responsibility to evaluate all situations that compromise workers. Also all employees of the company, have annual internal and external training (operations by certified companies) on workers' safety and health. The personal protective equipment is also delivered to all employees and is sensitive. It also has internal and external formations in forestry machinery and works in height. International Trade Union Confederation (IUTC) ranks 139 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. Portugal has a rating of 3, from 1 to 5+, in the ITUC Global Rights Index 2014. This score is given for countries where: (There are) 'Regular violation of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.'</p>
<p>Means of Verification</p>	<p>Reginacork's monitoring procedure includes checklists on feedstock suppliers and harvesting operations. Reginacork ensures: • Accredited professional courses (chainsaws, machinery operator, phytopharmaceuticals applicator) card and/or specific certificates of training sessions. • Records of H& S procedures and Personal Protection Equipment distribution by the organization. • Record of machinery safety tools and equipments on original documental register.</p>
<p>Evidence Reviewed</p>	<p>Government sources •Labour Conditions Authority-ACT (http://www.act.gov.pt/(pt-PT)/Paginas/default.aspx •Work accident statistics from ACT http://www.act.gov.pt/(pt-PT)/CentroInformacao/Estatistica/Paginas/AcidentesdeTrabalhoGraves.aspx (http://www.act.gov.pt/(pt-PT)/CentroInformacao/Estatistica/Paginas/AcidentesdeTrabalhoMortais.aspx http://www.act.gov.pt/(pt-PT)/crc/PublicacoesElectronicas/Documents/RelatorioAtividadesPromocaoSegurancaSaudeTrabalho2015.pdf •General Direccion of Social Security : http://www.seg-social.pt/dgss-direccao-geral-da-seguranca-social •Employment and Professional Training Institute at (https://www.iefp.pt/) Strategy and Planning Cabinet: http://www.gep.msess.gov.pt/estatistica/acidentes/index.php Non-Government sources Safety and health in the European forestry sector – The impact of more open markets and of increased regulation: http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_160880.pdf Guidelines for labour inspection in forestry: http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---safework/documents/normativeinstrument/wcms_107610.pdf Code of Practice: Safety and Health in forestry work: http://www.ilo.org/wcmsp5/groups/public/@ed_protect/@protrav/@safework/documents/normativeinstrument/wcms_107793.pdf ITUC Global RIGHtS Index The woRld's woRsT CoUnTRles foR workers: http://www.ituc-csi.org/IMG/pdf/survey_ra_2014_eng_v2.pdf •SETAA-Sindicato da Agricultura, Alimentação e Florestas: at http://www.setaa.pt/ •UGT-União Geral de Trabalhadores at https://www.ugt.pt/ •CGTP - Confederação Geral de Trabalhadores Portugueses at http://www.cgtp.pt/ Legislation Labor Code• Código do Trabalho :Lei n.º 7/09 12/02 artº127º i) http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx •Resolução da Assembleia da República nº109/2012 de 08/08 art 6º (Convention 184 doesn't apply to industrial forest</p>

	<p>work) http://dre.pt/utl/getpdf.asp?s=diad&serie=1&iddr=2012.153&iddip=20121525 •Aviso n.º 6/2014. 01/09 https://dre.pt/utl/getpdf.asp?s=diad&serie=1&iddr=2014.6&iddip=20140033 •Law n.º 3/2014 from 28/01</p> <p>https://dre.pt/application/dir/pdf1sdip/2014/01/01900/0055400591.pdf • DLnº441/91, de 14/11capIII • DL nº133/99, de 21/04 artº1º • DL nº26/94, de 1/02 artº3º • Lei n.º 98/2009, de 04/09 artº7º • DLnº 128/93, de 22/04 artº1º • Port. 988/93, de 06/10; • DL nº141/95, de 14/06 artº5º • Portaria n.º 1456-A/95, de 11/10; artº2º • DL nº331/93 de 25/09, artº4º DLnº 330/93, de 25/09 artº4º • DL 182/2006, de 6/09 , artº4º • NP 2761:1988 Law 102/2009 10/09</p> <p>:http://www.dgpj.mj.pt/sections/leis-da-justica/pdf-ult2/lei-n-102-2009-de-10-de/downloadFile/file/lei_102.2009.pdf?nocache=1252570336.84 •Health and Safety Guide for Agroforestry works: http://www.act.gov.pt/(pt-PT)/Itens/Noticias/Documents/Seguran%C3%A7a%20e%20Saude%20no%20Trabalho%20no%20Setor%20Agro-Florestal.pdf</p>
Risk Rating	Specified Risk
Comment or Mitigation Measure	<p>Reginacork has a control system and adequate procedures on the health and safety of forest workers. Reginacork demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring inspections. Reginacork checks if the personell is trained and if all safety measures are being respected during forest operations, including the use of PPEs, safety distances, work insurance and aptitude forms. During the feedstock supplier's inspections of Reginacork are checked: the training records, workforce, and the hiring of specialists in forest security. Protective equipment (according to the applicable law) and knowledge of personnel is inspected during site visits. In order to mitigate the risk in this indicator, the biomass producer should have proper means to control if workers have the proper training and if all safety measures are being respect during forest operations, including the use of PPEs, safety distances, work insurance and aptitude forms. Reginacork ensures:</p> <ul style="list-style-type: none"> • Accredited professional courses and/or specific certificates of training sessions. • Records of H&S procedures and Personal Protection Equipment distribution by the organization. • Record of machinery safety tools and equipments on original documental register.

	Indicator
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.
Finding	<p>There is a specified risk of reducing high carbon stocks, but it is not a high one, and by addressing sustainable forest management and the above-mentioned indicators and risks, this indicator is adequately addressed. Considering the positive general trend of carbon accumulation by forests in Portugal, this risk has a regional to local (exceptional) character and is more specifically related to the risks mentioned in the following indicators: a. 2.1.3 (land conversion), b. 2.2.2 (degradation of grounds), and c. 2.4.2 (fires and pests). According to the National Inventory Report on Greenhouse Gases 1995-2015 developed by Portuguese Environment Agency (APA), Portuguese forest acted as a carbon sink in the period of the study with a net carbon sequester of 753.2 Gigagrams. The high carbon stocks are considered to be in wetlands, peatlands (no forested areas related) and old mature forests stands. Information regarding wetlands in Portugal states that as usual in the region they are threatened ecosystems even when</p>

	<p>they are protected. Portugal currently has 1.8% of its territory occupied by wetlands, 79% of which is protected by the Ramsar Convention, covering this protection figure of 31 sites (about 132,487 hectares). 82% of habitats related to wetlands are degraded. Epic WebGis Portugal provides geographical information about wetlands. In the revised information one relevant risks is associated to forestry: cutting of riparian vegetation so specified risk needs to be assessed on this issue. Reginacork ensure that feedstock does not come from riparian vegetation in wetlands complies with legislation (felling license) and do not affect to carbon stocks. There is an increase of pine areas around the plant in the last decade (Portuguese Forest Inventory) i.e., around the region where Reginacork operates and its suppliers harvest from, there was an increase of forested areas, both Pine and Eucalyptus. The consumption of Reginacork is mainly of wood from the pine species. Forest fires are a big risk in Portugal, which can have a devastating effect on forest carbon. Thinning activities and use of end of life timber by Reginacork has positive effects on mitigating this risk.</p>
<p>Means of Verification</p>	<p>Evaluation of the risks and possible impacts of harvesting operations' (EoR). Field study suppliers. Maps, WebPages. Regional, publicly available data from a credible third party. The existence of a strong legal framework in the region Felling license.</p>
<p>Evidence Reviewed</p>	<p>HABEaS -Hotspot Areas for Biodiversity and Ecosystem Services; important areas for carbon storage (http://www.habeas-med.org/webgis/pt_en/) Epic WebGis Portugal (http://epic-webgis-portugal.isa.ulisboa.pt/) Quercus NGO (http://www.quercus.pt/comunicados/2011/fevereiro/522-zonas-humidas-continuam-ameacadas-em-portugal) Quercus NGO (http://www.quercus.pt/comunicados-floresta/593-2013/2982-corte-de-sobreiros-em-santa-maria-da-feira-para-construcao-de-novo-parque-empresarial) , (http://www.quercus.pt/comunicados/2014/junho/3707-abate-de-sobreiros-na-zona-de-proteccao-especial-do-estuario-de-tejo-em-benavente) ; (http://www.quercus.pt/comunicados/2012/setembro/43-abate-ilegal-de-centenas-sobreiros-e-carvalhos-portugueses-no-parque-natural-do-sudoeste-alentejano-e-costa-viceentina) ICNF habitat 7140; peatlands/turfeiras (http://www.icnf.pt/portal/naturaclas/rn2000/resource/docs/rn-plan-set/hab/hab-7140) ICNF habitat 9230; oak forests (http://www.icnf.pt/portal/naturaclas/rn2000/resource/docs/rn-plan-set/hab/hab-9230) A distribuição do Carvalho Português (http://naturlink.pt/article.aspx?menuid=3&cid=1145&bl=1&viewall=true) MedWet Mediterranean wetlands initiative (http://medwet.org/aboutwetlands/) Inventario Florestal Nacional IFN5 (FloreStat_IFN5); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin) Inventario Florestal Nacional IFN6, preliminary results (IFN6 - Resultados preliminares.pdf); ICNF portal Law 58/2005 29/12; Law 54/2005, at 15/11 (Artº 25º) Titularidade dos recursos hídricos (https://dre.pt/application/dir/pdf1sdip/2005/11/219A00/65206525.pdf)</p>
<p>Risk Rating</p>	<p>Specified Risk</p>
<p>Comment or Mitigation Measure</p>	<p>1) Reginacork studies data (from publicly available information, researches and programs) for its harvesting teams on aspects that can decrease the carbon stock. This information is given to all feedstock suppliers. 2) Feedstock suppliers are trained to recognise areas where carbon stocks have decreased or destroyed. 3) The harvesting teams inspect visually the plot and make photos on for example recent degradation of lands and indicates the future use of the land (conversion). Reginacork demands a field study from all feedstock suppliers, which includes this point. 4) Reginacork checks plots and the submitted Field Studies. Forests owners can choose to start an orchard, governments can decide to extend the area of urban lands. This occurs regularly in Portugal. When forests are converted to other land use the carbon stock is lost. The</p>

	conversion of forests to urban use is significant (28 thousand ha). In total, the forest area decreased by 150 611 ha, 85% of these forest lands were converted to 'weeds and pastures' (between 1995 and 2010, according to the ICNF). One of the 5 principles of FSC Controlled Wood states that wood from converted land is not acceptable, in practise, however, this point is not evaluated by wood procuring companies, which normally consider all procurements from Portugal at least FSC CW. Extra monitoring is needed on this point. Reginacork does not buy wood from converted lands to be in line with principle 4 of FSC Controlled Wood. FSC CW is the minimal level of wood procurement at Reginacork.
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	Indicator
2.9.2	Analysis demonstrates that feedstock harvesting does not diminish the capability of the forest to act as an effective sink or store of carbon over the long term.
Finding	It was found on information reviewed that according to National Inventory (APA, I.P., 2014), from 1990 to 2012 forests are a net carbon sink, with annual sequestration values ranging between -11 MtCO eq and -18 MtCO eq. However on its 2015 report it is stated the negative impact of forest fires (..) Estimates of emissions and sinks from land use change and forestry category show that this category has changed from being a net emitter in 1990 (1.8 Mt CO2 eq.) to a carbon sink in 1992. This situation was again reverted in the years 2003 and 2005 due to the severe forest wildfires events registered in these years. In 2013 this sector represents a sequester of -9.4 Mt CO2e.. Questions regarding forest fires are addressed at indicators 2.4.1 and 2.4.2. Under this information this indicator can be assessed al low risk.
Means of Verification	Results of analysis. Regional, publicly available data from a credible third party. The existence of a strong legal framework in the region. Interviews with experts.
Evidence Reviewed	Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) Relatório-de-Characterização-da-Fileira-Florestal-2014(http://www.aiff.org.pt/assets/Relatorio-de-Characterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf) Portuguese National Inventory Report on Greenhouse Gases 1990 – 2013 http://www.apambiente.pt/_zdata/Inventario/NIR_global_20151030_UNFCCC.pdf
Risk Rating	Low Risk
Comment or Mitigation Measure	---

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	In Portugal there is not a specific legal framework for GMO trees, but for all vascular plants. This legislation doesn't prohibit commercial use of GMO plants which is legal in the country since 1999. However, only corn (maize) is cultivated (around 6% of the total production). It hasn't been found any recent trial of GM trees in the country. Only related notice was from 1997 when Stora Enso trialed a modified variety of Eucalyptus globulus, which was concluded on 2001. The company (Stora Enso) is no longer in Portugal, but is still an industrial global pulp and paper player with interests in GMO. A low risk conclusion is justified because it was not evidenced interest for GMO use in the forestry sector.
Means of Verification	List of species used. EU Register of authorised GMOs http://ec.europa.eu/food/dyna/gm_register/index_en.cfm
Evidence Reviewed	<ul style="list-style-type: none"> •DL 55/2015 at 17/04 http://apambiente.pt/_zdata/Politicar/MGM/DL%2055_2015.pdf •DL 72/2003 de 10/04 (http://apambiente.pt/_zdata/Politicar/OGM/DL_72_2003.pdf) •APA-Agência Portuguesa de Ambiente at webpage: http://apambiente.pt/index.php?ref=16&subref=85&sub2ref=430 •DGAV- Direcção Geral de Alimentação e Veterinária webpage: http://www.dgv.min-agricultura.pt/portal/page/portal/DGV/genericos?generico=3665233&cboui=3665233 •Plataforma Transgénicos Fora at http://stopogm.net/ensaios •EU Register of authorised GMOs http://ec.europa.eu/food/dyna/gm_register/index_en.cfm •Global Forest Registry: http://www.globalforestregistry.org/
Risk Rating	Low Risk
Comment or Mitigation Measure	---