Supply Base Report: Enermontijo S.A.

Third Surveillance Audit

www.sbp-cert.org

Completed in accordance with the Supply Base Report Template Version 1.5

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

Document history

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Contents

1 Overview

Producer name: Enermontijo S.A.

Producer address: Rua Josué Gordicho Pegões, 2985-204 Pegões, Portugal

SBP Certificate Code: SBP-01-51

Geographic position: 38.736800, -8.639700

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Company website: www.enermontijo.pt

Date report finalised: 05 Jul 2024

Close of last CB audit: 26 Jul 2024

Name of CB: Preferred by Nature 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 1.5

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: N/A

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**
☐	☐	☐	☒	☐	☐

2 Description of the Supply Base

2.1 General description

Feedstock types: Primary

Includes Supply Base evaluation (SBE): Yes

Includes REDII: Yes

Includes REDII SBE: Yes

Feedstock origin (countries): Portugal

2.2 Description of countries included in the Supply Base

Country: Portugal

Area/Region: Continent

Sub-Scope: N/A

Exclusions: No

Enermontijo is a wood pellet production plant established in 2008. It has an actual production capacity of 60 thousand tonnes of wood pellets per year. Nationally and regionally Enermontijo can be considered a medium wood consumer when comparing to other pellet plants in the Supply Base. However, in comparison to the pulp and paper plants in Portugal, it is merely a small stakeholder in the forest sector.

Within the consumption distribution of the pine-based industries in Portugal, the bioenergy sector (biomass and pellets) represents 25%. The most relevant sector continues to be the sawmill, with 42%, followed by the production of pellets, with 20%. Pine wood consumption in 2022 was 3,98 Mm3, without bark, less than the previous year (4,13 Mm3). In the wood pellets sector consumption increased 2,2% between 2021 and 2022. The consumption decreased or maintained for all the other wood industry sectors. Pine wood deficit in 2022 was 2,21 Mm3 (structural deficit, i.e. estimate of cutting possibility in function of the average annual increase in pine forests). Source: Centro PINUS, 2023.

Enermontijo supplies industrial wood pellets to power plants in the North-West of Europe. The company acquires primary feedstock from one supplier which sources regionally. Enermontijo uses mainly small, low-quality tree stems from thinning activities, mainly from umbrella pine (*Pinus pinea*).

Most of the feedstock used for pellet production is from forest maintenance operations in Portugal, mainly from the following regions:

- Setúbal;
- Lisboa;
- Santarém;
- Évora;
- Beja;

- Portalegre.

Enermontijo does not procure tree species listed by CITES or IUCN; the following tree species are mainly used:

- Umbrella pine (*Pinus pinea*);
- Maritime pine (*Pinus pinaster*);
- Eucalyptus (*Eucalyptus spp.*);
- Poplar (*Populus spp.*).

In the reference period, between June 2023 and May 2024, Enermontijo used primary material from Continental Portugal. As fuel for the drying process of pellets production Enermontijo uses biomass, consisting of the poorest quality fraction of the procured primary feedstock and therefore these volumes originate from the same locations and are from the same tree species as mentioned above.

By feedstock groups, primary feedstock accounts for 100% of total feedstock supply within the reference period, which 98% SBP-compliant primary feedstock (not FSC® nor PEFC certified but Controlled feedstock brought in under the SBE), and 2% SBP-controlled primary feedstock.

Portugal is covered by 3,2 million ha of forests, corresponding to 35,4% of the country's land mass, followed by soil considered uncultivated (32%) and farmland (24%).

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

Portugal has approximately 10 million inhabitants. There are no indigenous people nor minorities groups relying on the forests for their livelihood.

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

- 97% of the forest is in private ownership. More than half of the forests are very small parcels of only one or a few ha (mainly in the northern and central regions). Regional forest management plans do not apply to small wood lands;

- Many private owners are not involved in their property and can be living far away. Lacking cadastral data (only 53% of the land), and discrepancies of registered and actual ownership rights;

- Forest cover has increased from under 2,0 million to 3,2 million ha over the last 100 years and is dominated by introduced species.

- Various regions with different forest tree species and silvicultural systems; specific forestry legislation directed towards regional development strategies.

These points create risks to ecological and social aspects of sustainable forestry. However, a general legal and institutional basis in forestry is in place and biomass producers are able to effectively implement mitigation measures. According to a prospective study for the Forest Sector (AIFF, 2013), the size of the stands is a key factor, with significant impact on the profitability and sustainability of the activity. In the north and center of Portugal approximately 54% of the forest area spreads over stands of less than 10 ha. Forest Management Plans (PGF) are mandatory for forest areas above a minimum area defined by Regional Forestry Management Plans (PROFs), as well as in Forest Intervention Areas (ZIF: 940 432 ha). In 2016, there were 1 680 000 ha under PGF from which 450 034 ha overlap the National Classified Areas Network. The national forest and conservation authority is the Institute of Conservation of Nature and Forests (ICNF)

with competencies on all forest, hunting and nature conservation affairs. ICNF also manages public forest areas and is involved in the management of community areas. Additionally, the Environmental Service of the National Republican Guard (SEPNA / GNR) is engaged in the inspection of environmental issues and natural resources in all private and public areas. A felling manifest is required for commercial felling (including thinning) of all tree species for industrial purposes, with a 30-day deadline after the operation is concluded. The felling phytosanitary manifest includes identification of the origin of the felling. Also, documentation for transportation identifies the origin of the transport which increases traceability of direct transports. These are the most common ways to trace back to origin.

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

- Eucalyptus (*Eucalyptus globulus* and other *spp.*), 24% of forest area, 652 thousand ha. Originally from Tasmania, eucalyptus became one of the most planted trees in Portugal. Since the 1980's there is great controversy about the negative effects of these trees on soil fertility, water scarcity, and biodiversity, which in 1988 and ’89 resulted in the implementation of a few laws that restricts the increase of monoculture plantation of this species. In 2017 a law was enforced that forbids the conversion of forests to eucalyptus stands.

- Maritime pine (*Pinus pinaster*), 18% of forest area, 492 thousand ha. This species was chosen in the large afforestation campaigns carried out during the nineteenth century, due to its ability to adapt to poor and rocky soil. In addition, it regenerates easily. Its timber is widely used commercially;

- Cork oak (*Quercus suber*), 26% of forest area, 701 thousand ha. This is an evergreen indigenous species, typical of Mediterranean climate forests. Their presence can be found throughout the country. The cork oak is often seen as the ‘national tree’ of Portugal. Portugal is the leading producer and exporter of cork.

- Holm oak (*Quercus rotundifolia*), 13% of forest area, 340 thousand ha. An evergreen tree of large size. It can be found throughout the Mediterranean climate. It can grow at any type of terrain except of those with poor drainage and or saline nature, but prefers fertile soil, deep and of loamy nature. The wood is well suitable for charcoal and firewood production.

- Umbrella or stone pine (*Pinus pinea*), 7% of forest area, 187 thousand ha. Stone pine is mainly used to produce pine nuts. The residues from thinning and pruning are used for pellet production. Stone pine can mainly be found in the south.

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

- Eucalyptus plantations: production of feedstock for pulp and paper is highly developed and standardized. Eucalyptus plantation begins with the preparation of the ground, which can consist of removing the stumps, followed by site preparations (disking, ripping, sub-soiling) and adding organic fertilisers. Planting is done in densities ranging between 1100 to 1300 plants per hectare followed by fertilization. Between the second and the sixth year a second fertilization is normally done, and measures are taken against competing vegetation. Priority is given to conducting coppice (up to 3 rotations), selecting shoots after each cut. A selection of tree shoots is made two or three years after cutting, reducing the number of trees to the initial density of planting. In most cases, the final clear cut is made after 10 to 15 years, but can be done earlier on sites with high growth rates.

- Umbrella pine silviculture: the intertree distance at planting depends on the future purpose of the stand: production of wood or cones (pine nuts). For the production of wood intertree distances of 4x3 m are used to promote natural pruning. In stands oriented to cone production the most commonly used intertree distance is 5x5 m, but also 6x5, 6x6 and 8x6 m. are used. In case of natural regeneration, there is a high number of plants per hectare and a selection of the best ones must be done promptly. Stand tending is

done through pruning and thinning and produces a considerable amount of residues. The first pruning should be done between 5 to 6 years after planting. The second pruning should occur between 10 to 12 years. This pruning often coincides with the first thinning. The third pruning is between 20 to 25 years, coinciding with the second thinning. The final cut is usually done after 40 years.

- Maritime pine silviculture: criteria defining plant density per hectare are the quality of the soil and the area to be reforested. The density usually ranges from 1200 to 1500 plants / ha. That is, the distance between the pines in the line can be between 1,5 and 2 m with a line spacing ranging from 4-4,5 meters. The thinning is done between 15-20 years old, then every 5 to 10 years: in the age of 25-30 years and 35-40 years. Final cut is done in the age of 40-45 years old, when 300-500 trees ate taken from the stand.

- Poplar: in Portugal poplar is currently cultivated on a small scale. This species is found in a mixture with other cultivated species. In this way a very littler percentage is harvested together with other species.

- Acacia: an invasive species in Portugal, appearing in pure or mixed formations, and it is not permitted to plant and cultivate. However, harvesting is allowed.

Portuguese national legislation lists protected tree species and, for example, it is forbidden to cut any cork oaks (*Quercus suber*), and holm oaks (*Quercus ilix* / *Quercus rotundifolia*; protective measures by Law Nº.155/2004) and European holly (*Ilex aquifolium*; protected by Law Nº. 423/89).

CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) lists a considerable number of protected plant species for Portugal. However, the list does not include any tree species. The ‘Red List’ of the IUCN (International Union for Conservation of Nature and Natural Resources) indicates hundreds of plant species for the continental territory of Portugal, but also does not include any tree species. 49 plant species are reckoned relevant regarding forest operations.

Adjacent lands to Portugal are Spain, which has the same forest resources profile as Portugal.

Climate change, the occurrence of extreme meteorological events, in combination with large areas of insufficiently managed forests (especially eucalyptus forests) has increased the phenomenon of devastating forest fires. Portugal accounts for wider forest fires in Europe. Climate change may also induce pests and diseases due to stress in host plants. In Portugal, phytosanitary problems affect mainly the cork oak and holm oak, showing its decline. The loss of vitality and the mortality of maritime pine is mainly related with the Wood Pine Nematode (WPN), detected in Portugal since 1999.

Forests and forestry products are an area of crucial importance to the economy of Portugal. The main products are paper and cardboard, pulp, cork, wood and resin products, and furniture. The forest sector has a significant impact on GDP. According to Portugal Market Report 2021 (ICNF) forest products represent 10% of national exports and the sector is responsible of 4% of the imports. Forests are the base of an economic sector that generates around 100 000 direct jobs (4% of the active population). The pulp and paper and the board sectors use mainly eucalyptus. Softwood saw logs are mainly produced from maritime pine. In the south umbrella pine takes a leading role in the forestry economy, its main product is pine seeds for consumption.

2.3 Actions taken to promote certification amongst feedstock supplier

Since 2016 Enermontijo has contacted each of its feedstock suppliers and affirmed the importance of providing certified material (FSC® or PEFC), pointing out the increasing demands of markets and

consumers regarding the legal and sustainable source of forest products, underlining the advantages and importance of forest certification to the wood sector in general and to the wood pellet business in particular.

Enermontijo worked only with one supplier, in the reference period, which is FSC® certified. Biopower, when acting as a wood procurement company informs the forest owners that added value is gained by managing their areas as certified, either individually or in group initiatives recognized by the company.

From September 2019 Enermontijo monitors the SBE implementation for the required volume of primary compliant feedstock . Biopower, its main supplier, a wood procurement company and also a forestry company, has become fully commited with Enermontijo to cooperate in the implementation, control and interaction with forest owners.

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), 0.10 (Public), 0.25 (Community concession)
c. **Forest by type (million ha):**3.20 (Temperate)
d. **Forest by management type (million ha):**2.30 (Managed natural), 0.90 (Plantation)
e. **Certified forest by scheme (million ha):**0.61 (FSC), 0.33 (PEFC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above
Explanation: Thinning or forest maintenance is the harvesting activity which best describes Enermontijo's sourced material; clear cut is a secondary forest activity. For SBP pellets, forest residues from forest maintenance operations, tops and branches are used. The operations are executed by the supplier or by sub-contractors or third parties. Machinery used on operations is forestry equipment: chainsaws, forwarders, tractors, processors, mobile chipping processors.
Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority
Explanation: Most pellets are made of pine species and forest residues. Sawmills use the main part of the pine wood stems. The damaged and twisted stems, as well as already diseased trees and burnt wood can be used for pellet production. Stone pine is mainly used to produce pine nuts; thinning and pruning residues can be used for industrial pellet production. Plantations of eucalyptus in Portugal are used for the pulp and paper industry.

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: Pine species stands regenerate by means of natural regeneration. Eucalyptus planted after the third or fourth rotation. In general, for regeneration of forest stands after harvesting, the best forestry practices apply, as there is no legislation requiring reforestation.

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: Pest outbreaks are not common but forest fires occur frequently in the Portuguese forest. Enermontijo procures forest residues to reduce the chance of forest fire occurrences.

What is the estimated amount of REDII-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): 120000.00 tonnes

Explanation: Enermontijo intends to use all of its feedstock to produce pellets as REDII-compliant sustainable feedstock.

Feedstock

Reporting period from: 01 Jun 2023

Reporting period to: 31 May 2024

a. **Total volume of Feedstock**: 1-200,000 tonnes
b. **Volume of primary feedstoc**k: 1-200,000 tonnes
c. **List percentage of primary feedstock, by the following categories.**
    - Certified to an SBP-approved Forest Management Scheme: 0%
    - 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 (Umbrella pine); Pinus pinaster (Maritime pine); Eucalyptus spp (Eucalyptus); Populus spp (Poplar);
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 (%):
f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** 2.70
g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 97.30
h. **Proportion of biomass composed of or derived from saw logs (%):** 0
i. **Specify the local regulations or industry standards that define saw logs:** Local requirements for saw logs: minimum 1,40 meter long straight logs, diameter over 15 cm. Species: Pinus pinaster (maritime pine).
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**: 0 N/A
    - Physical form of the feedstock:
n. **Volume of tertiary feedstock**: 0 N/A
    - Physical form of the feedstock:
o. **Estimated amount of REDII-compliant sustainable feedstock that could be collected annually by the BP:** 120000.00tonnes

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	**Sourced by using Supply Base**	**FSC %**	**PEFC %**	**SFI %**

	Evaluation (SBE) %			
Primary	100.00	0.00	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

Note: Annex 1 is generated by the system if the SBE is used without Region Risk Assessment(s). Annex 2 is generated if RED II SBE is in the scope.

Is Supply Base Evaluation (SBE) is completed? Yes

Enermontijo has chosen to develop and implement the SBP Supply Base Evaluation method (SBP Standard 1), mainly due to the following reasons:
- Limited availability of FSC®-certified and PEFC-certified primary feedstock in Portugal;
- Small average size of woodlands in Portugal and the time needed to realize forest management group certification;
- Clients of industrial wood pellets demanding deliveries of SBP-Compliant biomass.

Is REDII SBE completed? Yes

Enermontijo intends to produce and sell wood pellets with the REDII-compliant claim (together with its SBP claim) and therefore, considering that Level A risk assessment according REDII is not available, REDII SBE was required.

4 Supply Base Evaluation

Note: Annex 2 is generated if RED II is in the scope.

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:
1.2.1 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:
Specified risk applies to all areas without cadastral data. 47% of the land area of Portugal has no Cadastral data. Moreover, the northern and central part of Portugal are characterised by hundred thousands of small private properties. The boundaries of these properties are sometimes disputable. Also, the official registration of the property rights can be outdated. For practical reasons, landowners can decide to sell or transfer (inherit) parts of their property without registering the change to the government. Plots can be abandoned and the property rights can be unclear, and some may try to take advantage of the situation. Wood lands can also be impounded by the government.

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:
The specified risks are HCV 1 Species diversity and HCV 3 Ecosystems and habitats. Portugal has a decreasing biodiversity and most wood lands are managed by small landowners, to whom few requirements on sustainable forest management apply; there is no obligatory analysis of critical ecosystem values. The regional forest management plans are not obligatory for the holders of small forests and plantations and these parcels are normally simply clear cut. Small land owners and harvesting companies working on small plots do not need to draw attention to the organisations, websites and reports mentioned in the SBE in relation to this indicator. A threat to forests like forest fire is identified on maps, but is not addressed adequately by many forest owners.

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:

The specified risks are HCV 1 Species diversity, and 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 species diversity and ecosystems and habitats. Special attention should be given to the National System of Classified Areas (SNAC) and to the Important Bird Areas (IBAs).

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:

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. Furthermore, poplar and other tree species can be considered a plantation and the new law only covers eucalyptus. In practise there will be many issues regarding 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 takes place, regarding the many affected 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 ICNF). In general, the area of plantation has grown where other forested areas have declined. The new law restricting conversion to eucalyptus plantations does not safeguard this issue sufficiently.

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:

To most small owners no forest management plan applies, the regional forest plans apply only to plots above a certain size.

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 approximately half of the country there is a risk of degradation of (dry) soils, mainly due to previous land use practices and choice of introduced tree species. The problem of desertification has existed for

centuries and has now become worse due to climate change. The plantations of eucalyptus need fertilisation or deplete the soil. Soil quality also depends on the availability of fresh water.

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. Furthermore, there are key ecosystems and habitats occurring outside
Protected and Classified areas. In practise, landowners and harvesting companies have too little knowledge of key-habitats and which habitats need to be conserved.

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, 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. This, in combination with the fact that there are many small parcels to which few regulations apply and the aggressive nature of Eucalyptus vegetations puts biodiversity under pressure. Several sources report the decline of biodiversity.

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:
The thresholds mentioned by law are 50 ha and 10 ha. This are still large areas regarding the populated and hilly countryside of Portugal. A clear-cut area of less than 10 ha can easily create runoff and erosion dangers. The landscape can create dangerous situations; residents could be living in the valley. Small land owners are not obliged to take risks to the surroundings into consideration. These risks can also be related to water lines.

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:

Despite legal requirements, Portugal still performs poorly on work efficiency (and safety). 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:
2.4.2 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:

Considering the lack of an implementation of forest management plans and forest debris cleaning, the risk of forest fires is high. Fires are today the greatest perceived risk in the Portuguese forest sector. Biotic and abiotic risks are supported by disturbances affects. The forests, in particular eucalyptus plantations, have to be managed according to best practices or the risk of forest fire is significant.

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:

Considering the situation in Portugal this indicator needs additional attention to perform sufficiently well on social aspects related to sustainable forest management and best practices. There are many land owners with small properties in Portugal. Some regions of the country lack cadastral data, which gives problems on assessing the boundaries of harvesting plots. It is crucial to identify and solve grievances and disputes before the harvesting operations commence (with special attention to the indicators, which are categorised ‘specified risk’). Land owners and harvesting companies normally do not actively implement complaint procedures and do not keep records on complaints and comments. This indicator is important to perform sufficiently on several other indicators.

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:

Regardless of its legal requirements, Portugal still performs poorly on work safety. 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 violations 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 carbon stocks in certain areas. This risk is more specifically related to the risks mentioned in the following indicators:

a. 2.1.3 (land conversion), and
b. 2.2.2 (degradation of soils).

Over the period 1995 – 2010 the forest decreased 4,6%. The net decrease of forest areas (150.611 ha) is mainly due to conversion to 'brush and pastures'. Significant areas of forests were converted to urban use (28.000 ha). Data sources, such as the FAO, indicate overall forest area has been recovering/ stabilising over the last years. However, within the dynamics of the overall forest area, it are the 'plantations' that have increased and 'other wooded areas' that have decreased. Between 2000 and 2018, the share of forests with high carbon stocks has decreased the most. The amount of carbon per ha in the forests has decreased. Systematic insufficient maintenance of eucalyptus plantations and proven risk of deliberately lighting forest fires are also reasons to trigger a risk indication on decreased carbon stock (insufficient control on the situation through law enforcement).

4.2 Justification

The present SBE, developed by BiomassConsult, is the result of thorough literature investigations, interviews with stakeholders and the practical implementation of SBEs in Portugal at seven other biomass producers over the last years. More risks have been identified and mitigated than in SBEs that were not developed by BiomassConsult.

Approach used during the Supply Base Evaluation process:

1- Gathering information (desk review of publicly available data and information, and interviews with relevant stakeholders);

2- Risk assessment (every risk was assessed according to its impact and probability of occurrence);

3- Management of risks (mitigation measures were developed for the specified risks). Enermontijo has assessed the risks related to each SBP indicator. A diverse range of stakeholders were engaged in the process. Enermontijo 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.

4.3 Results of risk assessment and Supplier Verification Programme

The risk assessment resulted in 14 'specific risks' identified, of which 5 indicators were partly 'specific risk' (and partly 'low risk'). No 'unspecified risks' were found, therefore, a Supplier Verification Program was not needed.

Verification of suppliers is to be conducted regularly. All specific risks are to be addressed during desk reviews and field assessments of the harvesting plots.

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 by a broad group of stakeholders and institutes. In general, there is a good understanding of the need of performing additional mitigating measures. Forest ownership in Portugal is fragmented, there are many small holders and is therefore clear that several forest management tasks, starting with an evaluation of ecological, economic and social impacts of operational plans should be considered before and during the forest operations. Within the framework of the FSC Controlled Wood and Due Diligence evaluations, several mitigation measures were already in place.

Regarding legality 1 SBP indicator was assessed as ‘specific risk’, but only partly . Regarding sustainability 13 SBP indicators were assessed as ‘specific risk’, of which 4 partly. Indicator 2.6.1 ‘Appropriate mechanisms are in place for resolving grievances and disputes, including those related to tenure and use rights, to forest management practices and to work conditions’ is one of the indicators that became ‘specific risk’. Such mechanisms play an important function as a safety net for sufficient performance on social and cultural aspects of Sustainable Forest Management and in complying with other indicators of SBP standard 1. In practise, many land-owners and harvesting companies do not have comments and complaint procedures in place nor investigate the concerns of local residents. If this indicator would not be categorized as 'specific risk', several other indicators on the social aspects of sustainability could become insufficiently addressed as well.

Main root causes of most specific risks derive from a few fundamental characteristics of forestry in Portugal, such as:

- Dominance of eucalyptus in forestry.

- More than half of the harvesting forest plots are very small and are privately owned areas of only one or a few ha (mainly in the northern and central regions of Portugal), to which regional forest management plans do not apply;

- Lacking cadastral data (on 47% of the land) and other issues related to the (non-) registration of ownership rights.

These specific risks are, however, well mitigatable. Moreover, corruption in Portugal is relatively low, which is confirmed by the CPI score of 62 points (2022), and forestry in Portugal has a long history and a sound framework of relevant institutes.

Based on its developed work, is Enermontijo's conviction that evaluators may have full confidence on the implemented Supply Base Evaluation system.

5 Supply Base Evaluation process

The Supply Base Evaluation (SBE) was performed by Rens Hartkamp, BiomassConsult, with assistance of Joana Carvalho, engineer, with 14 years experience in the wood pellet industry. Rens Hartkamp (M.Sc. in forestry; Ph.D. in forestry economics) has over 25 years of experience in forest certification and over 15 years in biomass certification. He has been active in benchmarking and developing criteria and indicators for biomass certification systems. In total, he assisted over 50 companies on SBP certification, some including SBEs in Portugal. He passed the SBP auditor exams in 2015.

The Supply Base Evaluation Process started with public reports into consideration, as also national legislation, national policies, 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:

1- Studied publicly available reports on the legality and sustainability risks in Portugal;
2- Developed the Risk Assessment and Risk Mitigation Measures in cooperation with Enermontijo's suppliers;
3- Developed procedures and check-lists related to the assessment of forestry operations and feedstock procurement;
4- Trained the harvesting teams of the most developed feedstock suppliers;
5- Evaluated the effectiveness of the Risk Mitigation Measures in practice (during harvesting operations).

The documents stated below are of importance to the management system:

- Signed declarations of selected feedstock suppliers;
- Documentation accompanying feedstock supply (verifying the origin of the wood);
- Procedure on the legality and origin of feedstock;
- Best practices regarding harvesting operations;
- Sampling and monitoring procedure;
- Assessment reports and checklists on:
    - Planned forest operations (field inspections);
    - Primary feedstock suppliers (companies);
- Complaint procedures and journals.

The Risk Assessment did not result in inconclusive indicators.

6 Stakeholder consultation

Around 100 stakeholders, including local NGOs, state institutions, government bodies, forest owners associations, academic/research institutes and leading experts in nature conservation and forestry were contacted to give their input on Enermontijo's SBR and SBE. This document was publicly available on Enermontijo's website from 05 July to 04 August of 2021.

6.1 Response to stakeholder comments

7 Mitigation measures

7.1 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:
Specified risk applies to all areas without cadastral data. 47% of the land area of Portugal has no Cadastral data. Moreover, the northern and central part of Portugal are characterised by hundred thousands of small private properties. The boundaries of these properties are sometimes disputable. Also, the official registration of the property rights can be outdated. For practical reasons, landowners can decide to sell or transfer (inherit) parts of their property without registering the change to the government. Plots can be abandoned and the property rights can be unclear, and some may try to take advantage of the situation. Wood lands can also be impounded by the government.

Mitigation measure:
Enermontijo has a procedure on establishing the legality and origin of biomass from lands without cadastral data. Enermontijo does not buy wood from wood lands of which owner rights are unclear. Any unclarity/dispute concerning the ownership of the wood needs to be solved first. A complaint procedure is also part of the 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:
The specified risks are HCV 1 Species diversity and HCV 3 Ecosystems and habitats. Portugal has a decreasing biodiversity and most wood lands are managed by small landowners, to whom few requirements on sustainable forest management apply; there is no obligatory analysis of critical ecosystem values. The regional forest management plans are not obligatory for the holders of small forests and plantations and these parcels are normally simply clear cut. Small land owners and harvesting companies working on small plots do not need to draw attention to the organisations, websites and reports mentioned in the SBE in relation to this indicator. A threat to forests like forest fire is identified on maps, but is not addressed adequately by many forest owners.

Mitigation measure:
Some HCV areas are designated as protected and classified areas at national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity or classified as priority species' habitats. Habitats and species vulnerable to forestry operations are identified within the scope of Rede Natura 2000 and Habitats and Birds Directive reports.

HCV 1 – Species diversity: 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 Areas (IBAs). See also below indicator 2.2.4.

HCV 3 – Ecosystems and habitats: Enermontijo evaluates the environmental impacts on ecosystems and habitats of the forest operations before the forest operations commence. Caution and best practises apply. See also below indicator 2.2.3.

Enermontijo ensures:

- Mapping of the harvesting plot;
- Harvesting according to best practices in sustainable forest management;
- Cleaning of waste from operations;
- Tree species (no genetically modified trees).

Steps taken:

- Study publicly available sources (internet sites) and other information regarding the plots where harvesting operations are planned and its surroundings;
- Inform feedstock suppliers on found results regarding possible risks in front;
- Onsite assessment of the plots and their surroundings prior to harvesting and measures are taken, for instance, when habitats are found;
- Development of adjustments to the harvesting plans, if needed;
- Inspection of the forest operations at the harvesting areas.

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:
The specified risks are HCV 1 Species diversity, and 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 species diversity and ecosystems and habitats. Special attention should be given to the National System of Classified Areas (SNAC) and to the Important Bird Areas (IBAs).

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 national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity, or classified as priority species’ habitats.

Enermontijo identifies and maps areas with high conservation values (HCVs) before the harvest operations commence. HCV 1 and 3 were assessed to have a specified risk. Extra effort is needed to identify and map these values in practice on paper, regarding the forest plot. Internet sources, as well as the local situation needs to be studied. Habitats and species vulnerable to forestry operations are identified within the scope of Rede Natura 2000 and Habitats and Birds Directive reports.

Enermontijo ensures:

- Mapping of the harvesting plot;
- Harvesting according to best practices in sustainable forest management;
- Cleaning of waste from operations;
- Tree species (no genetically modified trees).

Steps taken:

- Study publicly available sources (internet sites) and other information regarding the plots were harvesting operations are planned, and its surroundings;
- Inform feedstock suppliers on found results regarding possible risks in front;
- Onsite assessment of the plots and their surroundings prior to harvesting, measures are taken for example when habitats are found;
- Development of adaptions to the harvesting plans, if needed.

Enermontijo inspects the suppliers and harvesting areas. Enermontijo's forestry specialist evaluates the plot before the harvesting operations begins.

Main sources of information used to prepare the identification of these values for the harvesting teams:

HCV 1 - Species diversity:
- Classified areas (ICNF and HABEaS Portugal);
- Protected area Plans (ICNF and HABEaS Portugal);
- Endangered species (ICNF and HABEaS Portugal);
- Endemic species (ICNF and and HABEaS Portugal);
- Important Bird Areas of Portugal (IBAs and HABEaS Portugal);
- Regional Forest Plans - PROF (ICNF).

HCV 3 - Ecosystems and habitats:
- Habitats Directive (2007-2012);
- Rede Natura 2000 database (ICNF);
- Important Bird Areas of Portugal (IBAs and HABEaS Portugal);
- Convention on Biological Diversity -CBD (DL nr. 21/93, dated 29 June).

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:
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. Furthermore, poplar and other tree species can be considered a plantation and the new law only covers eucalyptus. In practise there will be many issues regarding 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 takes place, regarding the many affected 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 ICNF). In general, the area of plantation has grown where other forested areas have declined. The new law restricting conversion to eucalyptus

plantations does not safeguard this issue sufficiently.

Mitigation measure:
Enermontijo checks if forests have been changed to plantations after 2008. When a plantation is cut (e.g. eucalyptus, poplar) the history of the plantation is investigated as follows:

- The year of conversion to plantation (if it was converted after 2008); if needed, interviews with stakeholders and residents are made, and the plot is searched for tree stumps.

- Was it a forest before being converted to plantation?

- Will a plantation be established here after current operations? If land use change (conversion) is planned, feedstock from there is not accepted as SBP compliant. This is dealt in the feedstock supplier declaration and addressed in the field operations checklist.

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:
To most small owners no forest management plan applies, the regional forest plans apply only to plots above a certain size.

Mitigation measure:
In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification), or a plan is available but does not apply to a small holder, an additional assessment of environmental impacts is made and recorded before harvest. Special attention is given to plots smaller than the minimum threshold for the mandatory Forest Management Plan (PROF) and outside the SNAC.

Before harvesting operations commence, the plot is visited and evaluated on:

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

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

- Specific Plans for Forest Intervention (PEIF) are studied for specific measures for the intervention on forest areas with major biotic problems (e.g.: invasive species, plagues or diseases) or abiotic (e.g.: high risk of forest fire);

- Potential impacts of operations on ecosystems and biodiversity are identified. Impacts inside and outside the area of operation are considered, for instance, downstream;

- Impacts are monitored and monitoring results are used to improve operational practices.

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

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 approximately half of the country there is a risk of degradation of (dry) soils, mainly due to previous land use practices and choice of introduced tree species. The problem of desertification has existed for centuries and has now become worse due to climate change. The plantations of eucalyptus need fertilisation or deplete the soil. Soil quality also depends on the availability of fresh water.

Mitigation measure:
Before harvesting operations commence the plot is visited and evaluated. Best forestry practices apply:

- Were needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha are planned;

- Regeneration focusses on tree species that maintain or improve soil quality;

- Leave nutrients in the forests, mainly the green fraction of forest residues less or equal to 3cm (on the other hand other forest residues need to be cleared to prevent forest fires);

- Do not operate near water areas;

- Fertilisation of the ground, when needed and possible.

On dry locations selective cuttings are often preferable, because the ground gets less direct impact of the sun and the forest can maintain soil quality and regenerate naturally. Poor soil quality can lead to erosion and other problems.

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. Furthermore, there are key ecosystems and habitats occurring outside
Protected and Classified areas. In practise, landowners and harvesting companies have too little knowledge of key-habitats and which habitats need to be conserved.

Mitigation measure:
- Training of suppliers, assessing and selecting ‘SBE approved’ suppliers;
- Desk assessment (before harvesting operations commence) of key ecosystems and habitats:

o All classified areas:
- National Network of Protected Areas;
- Special Areas of Conservation (SAC);
- Special Protection Areas (SPA);
- Ramsar sites;
- Important Bird Areas (IBAs);

o Priority habitats in Natura 2000 network;

o Areas where threatened species occur;
o Areas where endemic species of the Iberian Peninsula occur;
o Areas where seasonal concentrations of species occur;
o Large landscape level forests;
o Important areas for watershed protection;

- Forest plot inspection prior harvesting;
- Mapping of the harvesting plot indicating key ecosystems, habitats and objects of importance to biodiversity, making photos prior to harvesting;
- Best forestry practices including measures to conserve and increase biodiversity (for example, standing dead wood;
- Change of operational plan, if necessary.

Enermontijo keeps records of field inspections and continuously evaluates the results of its feedstock suppliers.

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, 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. This, in combination with the fact that there are many small parcels to which few regulations apply and the aggressive nature of Eucalyptus vegetations puts biodiversity under pressure. Several sources report the decline of biodiversity.

Mitigation measure:
Enermontijo prepares 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.

Steps in risk mitigation:

- Training of suppliers to recognise key ecosystems and habitats; assessing and selecting ‘SBE approved’ suppliers;
- Desk assessment (before harvesting operations commence) of key ecosystems and habitats:
o All classified areas:
- National Network of Protected Areas;
- Special Areas of Conservation (SAC);
- Special Protection Areas (SPA);
- Ramsar sites;
- Important Bird Areas (IBAs);

o Priority habitats in Natura 2000 network;
o Areas where threatened species occur;
o Areas where endemic species of the Iberian Peninsula occur;
o Areas where seasonal concentrations of species occur;
o Large landscape level forests;
o Important areas for watershed protection;

- Forest plot inspection prior harvesting;
- Mapping of the harvesting plot indicating key ecosystems, habitats and objects of importance to biodiversity, making photos prior to harvesting;
- Best forestry practices including measures to conserve and increase biodiversity (for example, standing dead wood;
- Change of operational plan, if necessary.

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:
The thresholds mentioned by law are 50 ha and 10 ha. This are still large areas regarding the populated and hilly countryside of Portugal. A clear-cut area of less than 10 ha can easily create runoff and erosion dangers. The landscape can create dangerous situations; residents could be living in the valley. Small land owners are not obliged to take risks to the surroundings into consideration. These risks can also be related to water lines.

Mitigation measure:
Enermontijo monitors the harvesting operations of its feedstock suppliers. Best practices are required to comply with the SBE program requirements.

Desk assessment (before harvesting operations commence) of important areas for watershed protection:
- Cork oak and holm oak savannas located in areas with an aquifer recharge rate of over 175 mm/year;
- Aquifers.

The plots and the surroundings (including hill slopes and streams) are inspected on:
- Runoff problems (regarding the landscape, onsite and in the surroundings);
- Groundwater level problems (too high or too low);
- Protection of riversides and (lake) coastlines;
- In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha;
- Best forestry practices;
- Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water runoff;
- Runoff of elements from fertilizers and pesticides into the surrounding environment.

Country:
Portugal

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

Specific risk description:
Despite legal requirements, Portugal still performs poorly on work efficiency (and safety). 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:
- Enermontijo trains its personnel on all relevant aspects and demands the same from its feedstock suppliers;

- Training and its records are obligatory according to legislation;
- Records of supplier qualification process and checked during supplier inspections;
- Training conducted by Enermontijo includes best forest management practises;
- Based on results of plot assessments, training on identification of key ecosystems, habitats and species biodiversity is given to suppliers;
- Enermontijo performs supplier inspections: training records, (new) workforce, hiring of specialists. The level of knowledge of personnel is inspected during site visits.

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:
Considering the lack of an implementation of forest management plans and forest debris cleaning, the risk of forest fires is high. Fires are today the greatest perceived risk in the Portuguese forest sector. Biotic and abiotic risks are supported by disturbances affects. The forests, in particular eucalyptus plantations, have to be managed according to best practices or the risk of forest fire is significant.

Mitigation measure:
Specified risk is assessed on the fire protection management at forest level:

- Visual inspection of the plot before harvesting (checklists). Checked is if the plot was managed well on fire protection in the past; if not, the feedstock is not considered compliant.
- Investigation of PMDFCI -*Plano Municipal de Defesa da Floresta Contra Incêndios* (Municipal Plan for Forests Fire Protection);
- Implementation of forest fire fighting measures according to law;
- Best forest practices;
- Monitoring performance by Enermontijo;
- Thinning activities and use of end of life timber by Enermontijo has a positive effect on mitigating the risk of forest fires.

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:
Considering the situation in Portugal this indicator needs additional attention to perform sufficiently well on social aspects related to sustainable forest management and best practices. There are many land owners with small properties in Portugal. Some regions of the country lack cadastral data, which gives problems on assessing the boundaries of harvesting plots. It is crucial to identify and solve grievances and disputes before the harvesting operations commence (with special attention to the indicators, which are categorised ‘specified risk’). Land owners and harvesting companies normally do not actively implement complaint procedures and do not keep records on complaints and comments. This indicator is important to perform sufficiently on several other indicators.

Mitigation measure:
- Enermontijo actively prevents grievances and disputes to arise. The aim is to

track down and solve grievances and disputes before harvesting operations commence (and not to buy from the disputed plots);
- Enermontijo makes clear to employees and stakeholders that any complaint
or comment related to feedstock supply is taken very seriously, to ensure sufficient performance on legality and social aspects of Sustainable Forest
Management;
- Enermontijo has a complaint procedure and keeps records. The feedstock
suppliers are also required (signed supplier declaration) to actively implement a complaint procedure and keep records.
- Enermontijo monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. Proactive interviews
with relevant stakeholders, such as land owners on submitted comments (orally and in writing), assessment if complaints were dealt with sufficiently;
- The results of Enermontijo's inspections have direct influence on the ‘SBE program approved’ status of feedstock suppliers.

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:
Regardless of its legal requirements, Portugal still performs poorly on work safety. 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 violations 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:
Enermontijo has a control system and adequate procedures on health and safety of workers, demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring (administrative and field) inspections.
- Supplier qualification process and inspections of supplier’s company;
- Insurance and aptitude forms;
- Social Security;
- Present workforce and training (new) personnel;
- Health and safety procedures;
- Training records and hiring of specialists;
- Records of Personal Protection Equipment (PPE) delivery;
- Records of machinery safety tools and equipment on documental register;
- Medical records of employees.

On field inspection to supplier:
- Protective equipment use;
- Medical kits;
- Fire extinguishers;
- Respect of safety distances;
- Level of knowledge/training of personnel.

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 carbon stocks in certain areas. This risk is more specifically related to the risks mentioned in the following indicators:

a. 2.1.3 (land conversion), and
b. 2.2.2 (degradation of soils).

Over the period 1995 – 2010 the forest decreased 4,6%. The net decrease of forest areas (150.611 ha) is mainly due to conversion to 'brush and pastures'. Significant areas of forests were converted to urban use (28.000 ha). Data sources, such as the FAO, indicate overall forest area has been recovering/ stabilising over the last years. However, within the dynamics of the overall forest area, it are the 'plantations' that have increased and 'other wooded areas' that have decreased. Between 2000 and 2018, the share of forests with high carbon stocks has decreased the most. The amount of carbon per ha in the forests has decreased. Systematic insufficient maintenance of eucalyptus plantations and proven risk of deliberately lighting forest fires are also reasons to trigger a risk indication on decreased carbon stock (insufficient control on the situation through law enforcement).

Mitigation measure:
Wood from forests converted to plantations, as also wood lands that are converted to non-forest use are not considered SBP compliant. Wood from forests which are not managed according to best practices and which do not safeguard the carbon stocks above (regeneration of forests) and in the soil (degradation of soils) are not considered SBP compliant. See indicator 2.2.2. Non-compliance with this indicator can also result in not procuring the feedstock.
- Desk assessment, monitoring, and identification of High-risk and "Important areas for carbon storage";
- Field inspections and possible adaptions of forest management plans;
- Limitation of harvesting operations on "Important areas for carbon storage". See indicator 2.1.3.

7.2 Monitoring and outcomes

Regarding forestry in Portugal, Enermontijo and its suppliers are motivated to cooperate with the forest land owners to implement risk mitigation measures. The evaluations and inspections, together with the developed documents give the possibility to assess if the feedstock can be accepted as 'SBE compliant' feedstock.

Enermontijo continuously inspects its feedstock suppliers to check if they comply with the mitigation measures. The results of the monitoring system (including the effectiveness of the mitigation measures) were positive. The 'SBE program approved' status is re-evaluated every year and is directly suspended or withdrawn if a major non-conformity has been found.

During initial inspection of the forest plots:
- a map is of the plot is drawn, indicating boundary limits, and roads/access roads to operation locations;
- type and age of vegetation/species and the results of the field inspection are registered in the checklists.

In addition to the general information collected, visits are conducted with the owner, his representative, or the harvesting company. Possible complaints and disputes related to land tenure rights, harvesting plot size, or forest management practices are identified and recorded. Feedstock is not procured from any plots with issues unresolved.

The implementation of the risk mitigation measures is a continuous process. The assessment of the plots prior to harvesting is relevant.

Steps taken to guarantee sustainable management:

- Study of publicly available information regarding the plots and their surroundings where harvesting operations are planned;
- Inform feedstock suppliers on found results of potential sustainability risks;
- Onsite assessment of the plots and their surroundings prior to harvesting, indicating the findings on a map and on the checklist;
- Check possible local interests and future land use plans;
- Evaluation of risks and possible impacts of the harvesting operations;
- Develop and propose adaptions to the operational plans, when required;
-Keep records on the investigation of the plot and its surroundings, and the performed measures.

Inspections to suppliers include the harvesting activities (field inspections) and the administrative department (office inspections).

Considering the situation in Portugal, not all feedstock provided by the ‘SBE approved’ feedstock suppliers automatically becomes SBP-compliant feedstock.
There are factors the ‘SBE approved’ suppliers are responsible for, and those that are beyond their reach (for example, landowners can have interests that conflict with the SBE requirements).

Enermontijo does not categorise feedstock as compliant, when:

- The harvesting operations do not comply with the SBP requirements on sustainability (Standard 1).

- Future management of the land does not comply with the SBP requirements on sustainability (example: if land conversion to agricultural or urban use is planned.

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 SBR and SBE has gone through and peer reviewed by Tatiana Savelyeva in the Reassessment SBP audit in 2021. Tatiana Savelyeva has near 15 years of experience in SBP. She completed Forestry Engineering studies in Russia, Sweden, and Finland. Tatiana Savelyeva passed the SBP auditor exams in 2017. She prepared over 30 Biomass Producers, including SBE projects in Portugal and Spain. Tatiana Savelyeva reviewed the SBR, SBE, SBP procedures and inspection checklists. Improvements on the content were accepted and implemented. Some references were updated.

9.2 Public or additional reviews

The SBR and SBE was sent to public consultation to around 100 stakeholders for review between 05 July and 04 August 2021. The SBR with SBE is available at the SBP website and at Enermontijo's website. Any interested party can contact Hélia Santos to helia.santos@enermontijo.pt to provide its comment,which will be duly taken into consideration.

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	**Joana Carvalho**	**Certifications Consultant**	**04 Jul 2024**
	Name	**Title**	**Date**
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.			
Report approved by:	**João Rocha Páris**	**Administrator**	**05 Jul 2024**
	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	Maps of the Supply base 'Continental Portugal' are available in many forms and scales; there have not been any disputed lands or disputed borders for over a century. 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 and other legal documents, which contain the origin of the feedstock (county, village) serves as definition of the source which enables, supported on maps available, the mapping of the supply base.
Means of Verification	- Maps of the Supply base 'Continental Portugal'; - National Forest Inventory (IFN6) define and maps the forest and plantation areas. It is possible to define the origin of the wood (location of harvesting) by different kinds of official documents, such as delivery notes and felling manifests.
Evidence Reviewed	- Map of Continental Portugal: Political Map of Portugal - Nations Online Project - National Forest Inventory of Portugal: IFN6 - Forest management plans (Decree-Law nr. 16/2009, of 14 January): DL 16/2009 - Delivery notes, felling manifests, invoices, among other legal documents.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	In case of pine species the phytosanitary and felling 'Manifest' is the main document to determine the actual origin of the wood. The phytosanitary Manifest is obligatory before harvest and must be delivered together with the feedstock to the buyer. In case of other

	tree species the felling manifest and AT Guide are studied. In some specific cases, regarding the supply of certain tree species (not pine) from small properties, an additional effort needs to be done to obtain information regarding the precise location of the forestry operations, but it is still clear that the wood is from the Supply Base 'Continental Portugal'. 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 in and submitted to Direcção Geral dos Recursos Florestais (General Management of Forest Resources). Additionally, approval documentation is required for specific operations on cork and holm Oak, including cutting and pruning, Holly (ilex) cutting, and also premature cuttings of Eucalyptus, Pinus pinaster or riparian vegetation. Since 2013 and the introduction of EUTR, operators are required to register their activities on a digital platform managed by forest authorities (ICNF). 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 to communicate any felling and/or transportation of wood affected by this disease. The document (phytosanitary manifest) must accompany material until the arrival to the industrial facilities. This is mostly focused on *Pinus pinaster* (23% of forest area). Legal requirements include having the right and valid invoice and/or transport documentation. In 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 document 'Manifesto' (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. The felling manifest, as well as the NMP (Pine Wood Nematode) manifest contain the following information: - Operator or service provider information; - Location of the feedstock until the *freguesia* (small village) level; - Quantities harvested; - Other information. The felling phytosanitary manifest includes identification of the origin of the felling. Also, documentation for transportation identifies the origin of the transport which is useful in case of direct transports from the forest. Both are common ways to trace back to origin of the feedstock even if the stated origin is not a forest land itself but the *freguesia* (minimum administrative division) where forest land is included. In an case it is clear the feedstock is from the Supply Base. Inspections from the government are in place and operators must apply DDS to justify legality of timber. 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. Several public authorities, such as SEPNA (Department of National Guard responsible for environment surveillance), ASAE (National Authority for Food and Economic Safety) and ICNF, organize regular surveillance activities to check the compliance of forest operators and wood transportation companies with the the National Action Plan for Control of Pinus Wilt Disease. The Corruption Perception Index of Portugal in 2021 is 62, a score indicating a considerable level of law enforcement; documents such as permits, manifests, invoices and transport documents can be considered reliable sources of information.
Means of	- Delivery notes, felling manifests, invoices, other legal documents, waybills, transport/shipping documents, AT Guide.

Verification	- 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). - Feedstock inputs, including species and volumes, are consistent with the defined Supply Base. - Transport documentation and goods consistent with the defined scope of the SBE.
Evidence Reviewed	- ICNF: ICNF - Instituto da Conservação da Natureza e das Florestas; - Boletim Estatístico - Indústria Papeleira Portuguesa: Boletim-Estatístico-da-Celpa-de-2014.pdf; - Cutting Permission Law n.º33/96, of 17 August (Article 7th): https://dre.pt/application/dir/pdf1sdip/1996/08/190A00/25682573.pdf; - Fileira do Pinho: desafios e oportunidades: centro PINUS_Joao Gonçalves dadosfileirapinho2014.pdf; - Centro Pinus: Centro PINUS; - Decrew-Law nr. 123/2015 nemátodo do Pinheiro: https://dre.pt/application/file/67649256); http://www.icnf.pt/portal/florestas/prag-doe/ag-bn/nmp - Declaração Retificação nr. 38/2015, of 01 September, of Decree-Law nr. 123/2015 nemátodo do Pinheiro (https://dre.pt/application/file/70144398) - Decree-Law nr. 174-1988 manifesto de corte: https://dre.pt/application/file/374768); http://www.icnf.pt/portal/icnf/serv/formularios/manif/man-cort-arr-arvor; - Registo de Operador de Madeira e Derivados: http://www.icnf.pt/portal/florestas/fileiras/reg-op; - Decree-Law nr. 198/2012, of 24 August: 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; - Transparency International: 2021 Corruption Perceptions Index - Explore the… - Transparency.org
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	Felling manifests require identification of species and volumes and are obligatory for every forest species for industrial use. The precise form of feedstock is determined visually.
Means of Verification	- Delivered felling manifest to Forest Authorities (ICNF) for *Pinus* used; - Felling manifest and AT Guide; - Invoices; - Transport/shipping documents, waybills; - Visual inspection.

Evidence Reviewed	- Decree-Law nr. 31/2020, of 30 June, which approves the regime of the cutting manifest, extraordinary cutting, thinning or uprooting trees and the traceability of the woody material: DL 31/2020, de 30/06 - Formulário de Manifestos de Corte de Árvores ICNF: Manifestos de Corte de Árvores (MCA) - Decree-Law nr. 198/2012, of 24 August: 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 - National Forest Inventory of Portugal: IFN6
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	In Portugal, around 97% of forest land is private (including land owned by individuals, communities and corporations). The most part of protected and classified areas are also in private property. 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. However, there are regions (53% of territory) where there is a geometric cadastral survey of rural lands (Cadastro Geométrico da Propriedade Rústica) and 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 neighbours. In principle, land use rights and management practices are considered and need to be deemed low risk before the Felling Manifest document is issued. 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, due to the complexity of the procedure. Therefore there are discrepancies between registered and actual ownership borders. Wood lands can also be impounded by the government, if the landowner has debts. Considering forestry in the north of Portugal, the argument that there are not often legal disputes does not guarantee the wood is legal / the seller is indeed the owner of all the plots harvested. 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. During interviews with stakeholders, such as experienced logging companies, many examples were given where people selling wood tried to take advantage of the unclarity of property borders.
Means of Verification	- Delivery notes, felling manifests, invoices, among other legal documents, waybills, transport/shipping documents, AT Guide; - Availability of the cadaster: http://mapas.dgterritorio.pt/cadastro/cartacadastral/index.html; - Description on the Land Registry (Descrição na Conservatória do Registo Predial); - 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.
Evidence Reviewed	- Constitution (Constituição da República Portuguesa): http://www.parlamento.pt/Legislacao/Documents/constpt2005.pdf; - Cadastre (Direção Geral do Território): Cadastro | DGT (dgterritorio.gov.pt); - Worldwide Governance Indicators Report at World bank: http://info.worldbank.org/governance/wgi/index.aspx#reports; - 'O cadastro e a propriedade rústica em Portugal' -Fundação Francisco Manuel dos Santos e Rodrigo Sarmento de Beires, May 2013:

	https://www.ffms.pt/upload/docs/ocadastro-e-a-propriedade-rustica-em-portugal_ypUM5ASBAUmUpHUlgJtp0A.pdf); - 'Cadastro a prédios rústicos e urbanos em Portugal custaria 700ME'; -Lusa-Última hora 27/03/2014, in Revista Visão: https://visao.sapo.pt/lusa/2014-03-27-cadastro-a-predios-rusticos-e-urbanos-emportugal-custaria-700-mef774740/.
Risk Rating	Specified Risk
Comment or Mitigation Measure	Enermontijo does not buy wood from wood suppliers without a valid company registration, nor from wood lands of which the owner rights are disputed. Any dispute concerning the ownership of the wood needs to be solved first. The precise location of the forest plot is determined. Delivery documents for every cargo have to state the origin. Suppliers declare to alert Enermontijo if they change the source of the feedstock. Enermontijo has a supplier approval procedure. When starting business relationship with the owner or a wood supplier Enermontijo investigates if cadastre data is available and, if not, additional investigations are conducted by means of legal documents research and extends to, for example, interviewing local stakeholders (owners of neighbouring wood lands) and local authorities, whenever: - Cadastral data is unavailable; - The land will be impounded by the government; - There are complaints about the land owner, or the harvest operation. If Cadastral data is unavailable or the land will be impounded by the government or if there are complaints about the land owner or the harvest operation, the site is visited and these mitigation measures are executed: - Identification of the plot / area; - Identification of the owner; - Proof of the relationship between the seller and the land in question; - Formalization of the business through a purchase and sale agreement; - Description Land registry or *Caderneta Predial Rústica* is demanded; - Mapping of ground boundaries; - Invoice and bank payment; - Check ownership of bank account. The Due Diligence System and the 'Procedure on the legality and origin of feedstock' state appropriate control systems. See also indicator 2.6.1.

	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	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) *Bursaphelenchus xylophilus* and its vector insect *Monochamus galloprovincialis* is in place. This mostly focuses in our case is *Pinus pinaster* (23% of all forest areas) but applies to all other host conifers (*Abies spp.*, *Cedrus spp.*, *Larix spp.*, *Picea spp.*, *Pinus spp.*, *Pseudotsuga spp.*, *Tsuga spp.*) – with these species covering 8% of forests. For these species there is the 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 'Operators' under the regulation have to register for its activities on a Digital Platform managed by the Forest Authorities (ICNF). The EUTR requirements cover wood placed on EU market from Portuguese forests also. The Competent Authority in Portugal for ensuring implementation of the EUTR is the Institute for Nature Conservation and Forests (ICNF). The enforcement authority is National Republican Guard (GNR), which applies 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 conducted 113 inspections with no contraventions. Also, for the same period, GNR has conducted 265 inspections with one contravention.
Means of Verification	- Permits and Manifests; - Register in ICNF Digital Platform; - Operator registry and notification in cases of conifers Nematode Pine Plan (NMP) EUTR Operator; - Gather information; - Risk evaluation by operators; - Risk minimization/mitigation.
Evidence Reviewed	- Cutting Permission -Law n.º 33/96, of 17/08 (article 7th): https://dre.pt/application/dir/pdf1sdip/1996/08/190A00/25682573.pdf; - Digital Platform managed by the Forest Authorities (ICNF): http://www2.icnf.pt/portal/florestas/fileiras/reg-op#reg - Pinus Nematode: Dec. Retificação n.º 38/2015, of 01/09; DL123/15, 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 age of *Pinus pinaster* and *Eucalyptus*: DL 173/88, 17/05; - Harvesting manifest: DL 174/88, 17/05; - Municipal licenses of vegetation destruction: DL 139/89; - High risk areas for harvesting: Despacho 17282/2003; - Operational cuttings on forest regime areas: Despacho 18355/2008; - Environment law nº19; DL 151-B/2013, de 31/10: https://dre.pt/application/file/513900; DL 49/05, of 24/02; DL 197/2005, de 8/11 - Timber Operator Registry: DL76/2013 at 5/06 - EUTR: DL nº 76/2013, de 5/06 artºs3º, 8º: 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= - APA -Agência Portuguesa do Ambiente: http://apambiente.pt/index.php; - SEPNA -Serviço da Protecção da Natureza e do Ambiente/GNR -Guarda Nacional Republicana: http://www.gnr.pt/default.asp?do=5r20n/DF.zv55n1/Zv55n1; - Instituto da Conservação da Natureza e Florestas: http://www.icnf.pt/portal/florestas/fileiras/reg-op; - ICNF Report: http://www.icnf.pt/portal/florestas/fileiras/resource/docs/icnf-ruem.
Risk Rating	Low Risk

Comment or Mitigation Measure	Not Applicable

	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 only taxes related to timber harvesting are applicable, such as value added taxes (VAT) and income taxes (IRS and IRC). No payments for harvesting rights, nor duties apply. VAT taxes (IVA): A general tax rate of 23% VAT applies. In exceptional 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 a farmer or forester. 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). No specific evidence of irregularities have been identified in relation to payment of VAT. The payment of VAT is a simple requisition that is easy to verify and legally undertaken by both entities (seller and buyer). Income taxes (IRS & IRC): Income taxes are applied according to individual or collective fiscal laws. No evidence was found of irregularities on income taxes related to harvesting companies. The fiscal Authority Autoridade Tributária makes joint inspections together with GNR – Guarda Nacional Republicana. Wood suppliers have to comply with the laws in force, which are supervised by the Tax Authority and the ICNF.
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: DLn.º102/2008, of 20/6: artº 2º1-a); artº 9º32); ListInº4. Anexo A-IV; - Individual Income Code to Singular Persons: DL nº 442-A/88 artº 4ºnº3,nº4 Updated by Law nº 67/2015, of 06/07 Preâ.nº9, artº3 nº1a); nº4; artº 4º nº1, nº3 nº 4 artº 34º; - Comercial Income Code to collective entities: DL Nº 442-B/88 Updated by Law n.º 2/2014. of 16/12, Law nº3/2014, of 16/12 & Law nº4/2014, of 16/12 artº1º, artº2º, artº3º,artº18º nº7;artº20ºnº1g)artº23ºnº2k); Port. nº55/201021/01artº2º; - Autoridade Tributária e Aduaneira: https://www.portaldasfinancas.gov.pt/pt/home.action - Autoridade Tributária e Aduaneira: VAT Exemption and reduction: http://info.portaldasfinancas.gov.pt/NR/rdonlyres/9A86386D-7EB8-447F-9EACCEB67C206BD2/0/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-97ECADE2061C094A/

	0/Informacao_5332.pdf - AIFF –AssociaçãoparaaCompetitividadedaIndústriadaFileiraFlorestalat: http://www.aiff.org.pt/ - OCC-Ordem dos Contabilistas Certificados at http://www.otoc.pt/pt/a-ordem/
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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 tree species in Portugal listed by CITES. Other species are protected and their living areas have been identified. Portugal has implemented CITES in national legislation and online tools.
Means of Verification	- List of purchased species; - List of CITES species for Portugal.
Evidence Reviewed	- Portuguese legislation: DL 211/2009, of 03/09, artº2º, artº4º, artº9º, artº13º; Portaria nº 1225/2009, of 12/10; Portaria nº 1226/2009, of 12/10; Portaria nº7/2010, of 05/01; Portaria 60/2012, of 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: https://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:1997R0338:20080411:EN:PD; - CITES introduction: http://ec.europa.eu/environment/cites/pdf/trade_regulations/KH7707262PTC.pdf; - ICNF: 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	Not Applicable

	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	Portugal and the 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 ranked in international reports: - Corruption Perception Index scores 62 (in 2021) meaning the perceived level of corruption is not very bad (scores under 50 points imply a disturbing level of corruption); - Worldwide Governance Indicators (WGI) from 68.75 to 81.25 in 2019 (1-100 points system). The Worldwide Governance Indicators (WGI) report six aggregate governance indicators for over 200 countries and territories since 1996, 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. Furthermore, Portugal (including human rights, illegal logging, forest and timber) is not listed in alarming reports or indexes such as: - Human Rights Watch; - Global Witness; - Chatham House; - Amnesty International. There are no 'indigenous people' (people living in a traditional manner, based on custom or traditional land use) in Portugal, claiming traditional rights to lands, forests, or other resources. Loggers and forest owners need to address traditional and custom rights when asking for a harvesting permission. This point is covered before the manifest document is issued. In Portugal there are sometimes ancient customary rights linked to the forests. However, there are no relevant conflicts related to these rights and where they exist there are established ways for their management and resolution. Such rights can be related to roads across rivers for examples. Entering forest lands is normally not considered an invasion even on private properties, and the use of wild products by communities (mushrooms, asparagus, snails, besides fishing on public waters) is common. Portugal has ratified the 8 ILO Fundamental Conventions.
Means of Verification	- Felling permit; - Written contract; - Legislation on traditional and civil rights.
Evidence Reviewed	- Transparency International: https://www.transparency.org/en/cpi/2020/index/nzl; - UN Sanctions List: https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidatedlist; - World Bank: Worldwide Governance Indicators: http://info.worldbank.org/governance/wgi/index.aspx#countryReports; - 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.illegallogging.info; - International Amnesty: https://www.amnesty.org/en/documents/pol10/0001/2015/en/; - ILO Convention numbers 87, 98, 29, 105, 100, 101, 129 e 138, 184; - Legisltion on traditional and civil rights;

	- Federação Nacional dos Baldios: https://www.facebook.com/Federa%C3%A7%C3%A3o-Nacional-dos-Baldios-257792997725879/; - Ministry of Solidarity, Employment and Social Security: http://www.portugal.gov.pt/pt/ministerios/mtsss.aspx; - Ministery of Internal Administration: http://www.portugal.gov.pt/pt/ministerios/mai/equipa.aspx; - SETAA -Sindicato da Agricultura, Alimentação e Florestas: http://www.setaa.pt/; - ANEFA -Associação Nacional de Empresas Florestais, Agrícolas e do Ambiente: http://www.anefa.pt/; - UNAC -União da Floresta Mediterrânica: http://www.unac.pt/; - Forum Florestal - Estrutura Federativa da Floresta Portuguesa: http://forumflorestal.pt; - Forestis -Associação Florestal de Portugal: http://www.forestis.pt/; - FNAPF -Federação Nacional das Associações de Proprietários Florestais: http://www.fnapf.pt/; - CCRL: http://www.confagri.pt/; - CNA -Confederação Nacional de Agricultura: http://www.cna.pt/; - CAP -Confederação dos Agricultores de Portugal: http://www.cap.pt/.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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 Zonas de Proteção 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. 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 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: i) 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 in the continent 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) as recognized lusitanian endemisms. ii) 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 focus 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 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 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 -Natura 2000'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 D-L nr. 21/93, of 29 June, which became effective in the country on 21 March 1994. The Fifth National Report to CBD had as 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 needs of local communities or indigenous people (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 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-epromover-a-criatividade/patrimonio-mundial-em-portugal . These are not yet included here. ii) Cultural heritage (Law no. 107/2001, of 8 September) - in Portugal there are specific governmental bodies to manage cultural heritage:

	- General Directorate of Cultural Heritage for the Portuguese Mainland: http://patrimoniocultural.pt/en/; - Directorate of Services of Cultural Heritage for the Island of Madeira (out of scope); - Regional Directorate of Culture for the Azores Islands (out of scope). 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 nr. 53/2012, of 5 September) - national legislation that identifies and protects outstanding grove (arboreta): http://www.icnf.pt/portal/florestas/Arvores.qrystart:int=80&Distrito=&Concelho=&Freguesia=&Processo The main source of information within this attribute is the application report of the Habitas 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 Natura 2000 network. Other cartographic information of HCV is included on open GIS like http://www.habeas-med.org/webgis/pt_en/ and http://epic-webgisportugal.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 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 – Low Risk Extra effort is needed to identify and map these values. Internet sources, as well as the local situation need to be studied, especially 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). See indicators 2.2.2, 2.2.3, 2.2.6, and 2.6.1. 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 identified cultural values.

Means of Verification	- HABEaS internet website; - Own field inspections; - Field studies suppliers; - Harvesting operation maps Enermontijo and feedstock suppliers; - GIS maps of HCV areas; - Interviews; - Priority Classified Habitat and species catalogue.
Evidence Reviewed	- HABEAS: http://www.habeas-med.org/webgis/pt_en/; - http://www.icnf.pt/portal/florestas/profs; - National Forest Inventory IFN6: http://www2.icnf.pt/portal/florestas/ifn/resource/doc/ifn/ifn6/IFN6_Relatorio_completo-2019-11-28.pdf; - 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/pset/; - Data Base for fauna and flora specific plans: http://www.icnf.pt/portal/naturaclas/patrinatur/especies; - http://www.icnf.pt/portal/icnf/legisl/legislacao/2012/lei-n.o-53-2012-de-5-desetembro.-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: http://www.icnf.pt/portal/naturaclas/ordgest/aa/resource/doc/man-infra-lin - Law for natural values cadastre: Decree-Lawn n.º242/2015, of 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-Caracterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf; - 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/relrecup-inc-catraia-set-v5
Risk Rating	Specified Risk
Comment or Mitigation Measure	All used material is traceable to its origin through the harvest manifests and transport guides. All suppliers are checked, they 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. HCVs 1 and 3 were assessed specified risk. Enermontijo identifies and maps areas with high conservation values (HCVs) before harvest commence. Extra effort is made to identify and map the HCVs 1 and 3 in practice on paper, regarding the forest plot. Internet sources, as well as the local situation are studied. Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). However, just as important, there are also smaller areas and biotopes important to biodiversity and classified as priority species' habitats. Habitats and species vulnerable to forestry operations are identified within the scope of Reed Natura 2000 and Habitats and Birds Directive reports. Additionally, field work is done before the harvesting operations commence to identify individual locations representing key-ecosystems, habitats, and the presence of protected species. Steps taken: - Study publicly available sources (internet sites) and other information regarding the plots where harvesting operations are planned and their surroundings; - Inform feedstock suppliers on found results regarding possible risks in front; - Mapping of the harvesting plot; - Assessment of the plots and their surroundings prior to harvesting; - Field work on identifying HCVs on biodiversity, ecosystems, and habitats; - Development of adaptions to the harvesting plans, if needed; - Harvesting according to best practices in sustainable forest management; - Inspect the execution of the forest operations at the harvesting areas; - Cleaning of waste from forest plots and plantations; - No regeneration with genetically modified trees. Below the main sources of information, used to prepare the identification of these values for the harvesting teams. Additionally, the forestry specialist evaluates every plot before the harvesting operations begin. 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 Some information sources: - 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 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 There is a specified risk that forest operations on private and communitarian grounds and

	public areas not managed by ICNF could harm ecosystems and habitats. In these situations Enermontijo demands to evaluate the environmental impacts (on Ecosystems and habitats) of the forest operations before the forest operations commence. Caution and best practises are applied. See also below, indicator 2.2.3. Some information sources: - 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.

	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.
Finding	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 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 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, 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.cfmfuseaction=home.get, 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 (example of conservation manual for the Bonelli's eagle and the good forestry and hunting practices 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. Following several surveys on the fragilized 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 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, 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, of June 29, 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 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. A Special Program of National Park Peneda-Gerês (PEPNPG) is under development, through Decree-law No. 96/2017, of May 18. The PEPNPG aims to promote the development and application of conservation measures on several environmental attributes of the first protected area in the country. Decrees-law No. 96/2017, 99/2017, 106/2017, 107/2017, 108/2017 set the start of the development of the Special Program of a list of protected areas. The National Report on the Implementation of Directive Habitats and Birds presents threats (present situation) in 6 habitats and pressure (future) on 8 habitats. Forestry presents a threat to 7,7% of the species assessed and puts pressure on 9,6% of the total 426 species considered. Forest activities have a significant impact on birds; 30% of the assessed species are threatened. HCV 4 & HCV 5 – Low Risk

	Threats to forests located in critical areas in river basins, such as floodplains steep areas and aquifers are defined and mapped in REN-National Ecologic Reserve. These threats include the conversion for forest plantations or non-forest uses, and are addressed at following indicator 2.1.3. 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 issues of lesser magnitude caused in private forests, arising from inadequate operations of harvesting and / or maintenance. These operations include 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. 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.
Means of Verification	- HABEaS internet website; - Enermontijo's own field inspections; - 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.
Evidence Reviewed	- Bugalho, M. 2011 'Interpretação Nacional das Florestas de Alto Valor de Conservação' Documento de base Trabalhos realizados pelo GT IN FAVC of FSC Portugal; - HABEaS: http://www.habeas-med.org/webgis/pt_en/; - LEAF_EPICWebGiSPortugal: http://epic-webgisportugal.isa.ulisboa.pt/maps/epicformat=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 : http://ibas-terrestres.spea.pt; - Site characterization SIC e ZPE: http://www.icnf.pt/portal/naturaclas/rn2000/pset/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 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-Caracterizacao-da-Fileira-

	Florestal-2014-160p-CAPA-3-spread....pdf; - 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-dfciap-2013; - ICNF: http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recup-inc-catraia-set-v5; - ICNFhttp://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/reltec/picoes-rel-tecn; - WILDER: http://www.wilder.pt/historias/pedida-actualizacao-de-lei-com-16-anossobre-especies-invasoras/; - QUERCUS: http://www.quercus.pt/comunicados/2009/maio/924-especiesinvasoras-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/documentostecnicos/resource/doc/BoasPraticasFlorestais.pdf; - Martins M.J& Cerdeira, J.O. (2009) do Departamento de Matemática do Instituto Superior de Agronomia. Referências Core Development Team, 2009; - Language and Environment for Statistical Computing. Vienna, Austria, Foundation for Statistical Computing; & Autoridade Florestal Nacional, 2010; - Florestat –Aplicação para a Consulta dos Resultados do 5º Inventário Florestal Nacional; - 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.iniav.pt/fotos/gca/livro_causas_doc_sintese_1369127896.pdf; - ICNF: http://www.icnf.pt/portal/florestas/foflo/pdr2020/resource/doc/Areas-rrc-vfinal.pdf; - Planos de Gestão Florestal de areas públicas: http://www.icnf.pt/portal/florestas/gf/pgf/publicitacoes/encerradas; - Autoridade Florestal Nacional, 2010; - Florestat –Aplicação para Consultados; - Resultados do 5º Inventário Florestal Nacional; - 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-produtivos/Operacao-7.11.1Investimentosnao-produtivos; - Fundo Florestal Permanente: http://www.icnf.pt/portal/icnf/noticias/gloablnews/fundoflorestal-permanente-ffp; - Alves, A. M., Pereira, J. S., Correia, A. V., 2012. Silvicultura - A gestão dos ecossistemas florestais. - Fundação Calouste Gulbenkian. Capítulo5 ‘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: http://www.quercus.pt/comunicados-floresta/644-2014/3708-abatede-sobreiros-na-zona-de-proteccao-especial-do-estuario-de-tejo-em-benavente; - ‘Zona de Proteção Especial do Estuário do Tejo ameaçada por novas áreas turísticas ’, 22/05/2014; - Quercus -Associação Nacional de Conservação da Natureza: http://www.quercus.pt/comunicados-floresta/644-2014/3652-zona-deprotecao-especial-do-

	estuario-do-tejo-ameacada-por-novas-areas-turisticas; - Acescimo: http://acrescimoapif.blogspot.pt/2012/08/porque-ardem-as-florestas-emportugal.html; - Lourenço,L e Outros (2011) Causas de incêndios florestais em Portugal continental; - Análise estatística da investigação efetuada no último quindénio (1996 a 2010); - QUERCUS: http://www.quercus.pt/comunicados/2015/agosto/4419-politicas-publicasdesajustadas-favorecem-incendios; 'Butwell condenada por crime contra a Natureza e desobediência qualificada naRia de Alvor' Rodrigues, E., 11/07/2015 - Sulinformação: http://www.sulinformacao.pt/2015/07/butwell-condenada-por-crime-contra-anatureza-e-desobediencia-qualificada-ria-de-alvor/.
Risk Rating	Specified Risk
Comment or Mitigation Measure	There is a specified risk that forest operations on private, communitarian and public areas not managed by ICNF could harm species diversity, ecosystems and habitats. Species diversity is evaluated and recorded before harvesting operations commence. Special attention is given to the National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity Areas (IBAs). Enermontijo identifies and addresses potential threats to forests and other areas with high conservation values (HCVs). The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. Some HCV areas are designated as protected and classified areas at the national or EU level (Natura2000). There are also smaller areas and biotopes important to biodiversity, which can be classified as priority species' habitats. Steps taken: - Assessment, evaluation and 'SBE approval' of suppliers; - Desk Assessment of possible impacts of harvesting operations, regarding Publicly available information from credible third parties; - Identification of HCVs and of methods to protect the HCVs; - Identification and mapping of protected species, habitats and key-ecosystems on the plot before harvesting; - Development of adaptions to the harvesting plans, if needed; - Harvesting according to best practices in sustainable forest management; - Inspect the execution of the forest operations at the harvesting areas; - Cleaning of waste from forest plots and plantations; - No regeneration with genetically modified trees. See also indicators 2.2.4 and 2.2.3.

	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.
Finding	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 changes 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 nr.9 of RJAAR defines that if an intervention area is located inside the National Ecologic Reserve, consultation must be addressed to the CCDR as well as the related municipality. The article nr.10 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. Law No. 77/2017, of August 17, reviews the RJAAR, capping the expansion of eucalyptus area in Portugal. Reforestation actions using eucalyptus can be done in the following cases: - Areas where the previous dominant species was Eucalyptus; - As compensation of areas with Eucalyptus settlements that were relocated to more productive sites. Since January 2008 conversion of forests to plantations (or non-forest land) in Portugal has taken place legally and illegally. ICNF indicated that a total of 4 304 ha of forests with various tree species were legally converted into eucalyptus plantations between 17/10/2013 and 25/01/2016 (excluding areas below 0,5 ha). 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 (Decree-Law nr. 173/88, of May 17), regulations for the introduction and environmental control of non-indigenous species (Decree-Law nr. 565/99, of December 21) and mainly the mandatory previous authorization for afforestation and reforestation activities using short rotation crops (Decree-Law nr. 175/88, of May 17). Changing land cover in the protected areas is prohibited by Article 43 of Decree-Law nr. 242/2015, as is the disturbance or destruction of threatened species and their habitats, under Article 44. As far as conversion that is not for agriculture or forestry is concerned, Decree-Law nr. 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 (Decree-Law nr. 169/2001, amended by Decree-Law nr. 155/2004, of 30 June); - Riparian vegetation (Law 58/2005 and Law 54/2005); - Holly (Decree-Law nr. 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 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. There are no assurance 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 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 National Forest Inventory Nr. 6 states that the area covered by Eucalyptus forests is continuously increasing: 717,2 m. ha in 1995, 785,9 in 2005, 810,8 in 2010, and 845,0 in 2015. An increase of 18% in total. The conversion of forests to urban and agricultural use is significant. Between 1995 and 2015, urban areas grew by 40%, or an additional 126,9 m. ha.
Means of Verification	- Forest owner and stakeholder interviews; - Field inspections; - Internet sources with (historical) maps from different kind; - Regional, publicly available data from a third parties; - Aerial photos, google maps (historical data function).
Evidence Reviewed	- National Forest Inventory IFN6: http://www2.icnf.pt/portal/florestas/ifn/resource/doc/ifn/ifn6/IFN6_Relatorio_completo-2019-11-28.pdf; - World Bank – FAO STAT webpage: https://data.worldbank.org/indicator/AG.LND.FRST.ZS?locations=PT; - FAO STATE OF THE WORLD'S FORESTS, 2020: http://www.fao.org/3/ca9825en/ca9825en.pdf; - http://www.quercus.pt/comunicados/2006/outubro/1650-abate-de-centenas-deazinheiras-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-noterreno-continuam-apos-abate-ilegal-de-azinheiras-promovido-por-empresariosespanhois-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: http://www.fao.org/forest-resources-assessment/current-assessment/maps-and-figures/en/; - Forest Change - GIS/Map in Global Forest Watch: http://www.globalforestwatch.org/map/5/39.60/-8.50/PRT/grayscale/loss,forestgainbegin=20010101&end=2014-12-30&threshold=30; - Legislation on conversion from natural *Quercus suber* and *Quercus rotundifolia* to other land uses: DL 169/2001, of 25/05 Artº2º: https://dre.pt/application/dir/pdf1sdip/2001/05/121A00/30533059.pdf) updated by D L155/2004, of 30/06: https://dre.pt/application/dir/pdf1sdip/2004/06/152A00/39673968.pdf; - Legislation on conversion inside Protected and Classified areas: DL 142/2008, of 24/07 Artº43º: https://dre.pt/application/dir/pdf1sdip/2008/07/14200/0459604611.PDF; DL 49/05, of 24/02: https://dre.pt/application/dir/pdf1sdip/2005/02/039A00/16701708.pdf; - Legislation on destruction of natural riparian vegetation: Law 58/2005, of 29/12; Law 54/2005, of 15/11 Artº25º: https://dre.pt/application/dir/pdf1sdip/2005/11/219A00/65206525.pdf; - Legislation on conversion from natural Ilexaquifolium DL 423/89, of 4/12 Artº1: https://dre.pt/application/dir/pdf1sdip/1989/12/27800/52915292.pdf;

	Legislation on conversion from natural landscapes and hillside/slope erosion: DL 139/89, of 28/04 Artº1: http://www.icnf.pt/portal/icnf/faqs/arbor/dl139-89; - Legislation on 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 Artº1º: https://dre.pt/application/dir/pdf1sdip/2013/10/21102/0000600031.pdf; - Cuttings before mature age of *Pinus pinaster* and Eucalyptus: DL 173/88, of 17/05.
Risk Rating	Specified Risk
Comment or Mitigation Measure	Enermontijo considers all pine stands as forests and eucalyptus and poplar stands as plantations. The producer checks if forests have been changed to eucalyptus or poplar plantations after 2008. When eucalyptus or poplar plantations are cut, the history of the plantation is investigated on: - The year of conversion to plantation (if it was converted after 2008). If needed, interviews with stakeholders and residents are taken and the plot is searched for tree stumps; - Was it a forest before being converted to plantation? When the forest is converted or planned to be converted to a plantation, agricultural or urban land, the feedstock is not categorized as SBP compliant. This is dealt with in the Feedstock Supplier Declaration and addressed in the field operations checklist.

	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. There are no recent reports on using GM trees in Portugal. The only reported activity was from 1997, when a multinational experimented with the introduction of a modified variety of Eucalyptus globulus. This research was concluded and discontinued in 2001.
Means of Verification	- EU Register of authorised GMOs: http://ec.europa.eu/food/dyna/gm_register/index_en.cfm; - Asking land owners and feedstock suppliers for the precise tree species; - Public reports and articles.
Evidence Reviewed	- DL 55/2015 at 17/04 http://apambiente.pt/_zdata/Politicas/MGM/DL%2055_2015.pdf; - DL 72/2003 de 10/04 (http://apambiente.pt/_zdata/Politicas/OGM/DL_72_2003.pdf; - APA-Agência Portuguesa do Ambiente: http://apambiente.pt/index.php?ref=16&subref=85&sub2ref=430; - DGAV-Direcção Geral de Alimentação e Veterinária: http://www.dgv.minagricultura.pt/portal/page/portal/DGV/genericos?generico=3665233&cboui=3665233; - Plataforma Transgénicos Fora: 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	Not Applicable

	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	For most small private forest areas no forest plan is made. Additionally, to most small owners no forest management plans apply, the forest plans apply only to plots above a certain size. Decree-law No. 96/2013 (RJAAR) states that afforestation and reforestation actions above 2 ha must be preceded by an authorization from ICNF (article No.4). Exceptions are possible, but constraints are defined in article 5 of this Decree-law. It is important to highlight that there is no exception for authorization when the area in question is located totally or partially inside SNAC (National System of Classified Areas). In private areas forest plans are mandatory for forest areas greater than a certain area (from 25 ha. to 100 ha, depending on the region); however non-compliance with this requirement has not resulted in known penalties. Every community forest area (Baldio) must have an approved PGF (or PUB – Community areas use Plan), independently of its dimension. PGF and PUB are prepared by the public body responsible for the management of the public forest unit and it is assessed by ICNF. In communitarian forests, plans are obligatory for all areas, however 2015 data show that forest plans are in place in only 60% of cases. In public areas, forest plans are obligatory for all areas (state forest, municipalities, etc.); however data 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). 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. 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. 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. Decree-law No.151-B/2013 defines the obligation to perform an Environmental Impact Assessment on every afforestation and reforestation occurring in areas greater than 350 ha (70 ha in sensitive areas) or greater than 140 ha (30 ha in sensitive areas) if the area, in conjunction with pre-existent forest stands of the same species, separated by less than 1 km, would produce a continuous forested area of more than 350 ha (70 ha in sensitive areas). It establishes that an assessment must be made when there is a deforestation action on areas greater than 50 ha (10 ha in sensitive areas). PROF in several regions (Alto Minho, Baixo Minho, Barroso e Padrela, Nordeste Transmontano) also defines a maximum threshold for clear cutting of 10 ha. Within SNAC, when a forest unit overlaps an area classified for nature and biodiversity conservation (Natura 2000 network, Protected

	Areas, among others), the PGF must include a Biodiversity Management Program (PGB), aimed at ensuring the compatibility and contribution of the proposed interventions in the PGF for the conservation of protected species and habitats. PGB must consider the applicable dispositions of the PSRN 2000 (Sectorial Plan for Natura 2000), as well as other applicable plans and regulations.
Means of Verification	- Availability and applicability of any kind of forest management plan (PROF, PGF ZIF, PUB, SNAC, as well as PEFC or FSC FM plans); - Enermontijo's field inspections, mapping and planning, including the study of the harvesting plot and operations (check lists).
Evidence Reviewed	- Instituto da Conservação da Natureza e Florestas: http://www.icnf.pt/portal; - APA-Agência Portuguesa do Ambiente: http://apambiente.pt/index.php; - Municipalities: http://www.cm-<NAME>.pt/; - Alvaiazere Municipality forest regulation includes clearcutting felling's: http://ftp.cm-alvaiazere.pt/regulamentos/Regulamento_florestal.pdf; - EIA legislation (national and regional): https://www.eia.es/legislacion/; - Guides and directives for environmental assessment: https://www.miteco.gob.es/es/calidad-y-evaluacionambiental/temas/default.aspx; - National Forest Inventory IFN6: http://www2.icnf.pt/portal/florestas/ifn/resource/doc/ifn/ifn6/IFN6_Relatorio_completo-2019-11-28.pdf; - Legislation: . National Ecological Reserve: DL 239/12, of 2/11 Artº20º nº1e); DL 151-B/2013, of 31/10 Artº1ºnº3b) AnexoII https://dre.pt/application/dir/pdf1sdip/2013/10/21102/0000600031.pdf; DL 47/2014, of 24/03; 31/10; DL 179/2015, 27/08 Artº2º; . Environment Law -Lei de Bases de Política do Ambiente: Law nr. 19/14, of 14/04 Artº 10ºd); DL 49/05, of 24/02 Artº20º; DL 197/2005, of 8/11 Artº1º, nº3 b) e nº4; . Machinery: NP 1948, of 1994; . Forest Equipment Chainsaw: NP 2761, of 1988; NP EN 13525:2005+A2:2009; . Forest fire areas: DL nº55/2007, of 12/03 Artº1º; Law n.º54/91, of 8/08; DL nº34/99, of 5/02 Artº1º; . Ministry Council Resolution nº5/2006, of 18/01; - Non-Government sources: . Quercus-Associação Nacional de Conservação da Natureza: http://www.quercus.pt/; . LPN-Liga para a Protecção da Natureza: http://www.lpn.pt; . GEOTA-Grupo de Estudos de Ordenamento do Território e Ambiente: http://www.geota.pt/scid/geotawebpage . Greenpeace International: http://www.greenpeace.org/international/en/; . World Wildlife Fund -Portugal: http://www.wwf.pt/.
Risk Rating	Specified Risk
Comment or Mitigation Measure	In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification), or a plan is available but does not apply to a small holder, an additional assessment of environmental impacts is made and recorded before harvest. Special attention is given to plots smaller than the minimum threshold for the mandatory Forest Management Plan (PROF) and outside the SNAC. Before harvesting operations commence, the plot is visited and evaluated: - The possible economical, ecological and social impact of the forest operations, including its surroundings. Harvesting plans can be changed to avoid negative impacts; - The quality of the management (by the land owner) prior to harvesting and regeneration plan; - Specific Plans for Forest Intervention (PEIF) are studied for specific measures for the

	intervention on forest areas with major biotic problems (e.g.: invasive species, plagues or diseases) or abiotic (e.g.: high risk of forest fire); - Potential impacts of operations on ecosystems and biodiversity are identified. Impacts inside and outside the area of operation are considered, for example downstream; - Impacts are monitored and monitoring results are used to improve operational practices. Indicators 2.2.2, 2.2.3, 2.2.4, 2.2.6, and 2.4.2 also include relevant management measures which are checked.

	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	In nearly half the country there is a risk of degradation of (dry) soils due to previous land-use practices. This problem has existed for centuries and has now become worse due to climate change. The plantations of eucalypt need fertilisation or deplete the soil. Soil quality also depends on the availability of fresh water. Soil quality in Portugal has not a positive evolution since historic times as the major part of Mediterranean region. 45 percent of 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. There are losses of arable land greater than 25% in Portugal 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 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. The results of this FAO study, among others, where 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. 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 on 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. 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. Law No.33/96, of August 17 – Base Law for Forest Policy determines that the national forestry policy pursues the objective of "... ensuring the fundamental role of forests in regulating water resources, soil conservation and air quality and combating desertification".
Means of Verification	- Information on internet is checked, e.g. erosion and desertification programs and maps (REN), and any kind of forest plan, study descriptions and proposed measures on soil protection; - Enermontijo's field study of the harvesting plot and operations (check lists).
Evidence Reviewed	- Following FAO 2013, State of Mediterranean Forests: http://www.fao.org/docrep/017/i3226e/i3226e.pdf; - ICNF Desertification: https://sig.icnf.pt/portal/home/webmap/viewer.html; layers=59fa84b8dca64f708f499f0aac2d733d; - Susceptible areas to desertification map: http://www2.icnf.pt/portal/pn/biodiversidade/ei/unccdPT/pancd/resource/doc/cartografia-apoio-pdr/Suscetibilidade-solosdesertificacao.jpg/view; - Desertification Convention 5.1 Desertification Susceptibility: https://dre.pt/application/file/65985917; - ICNF: http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/relrecup-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 all (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); - 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_ThePeseraMapBkLet52.pdf; - Good Forest Practices http://www.icnf.pt/portal/florestas/gf/documentostecnicos/resource/doc/Boas-Praticas-Florestais.pdf; - LEAF: Epic WebGis Portugal: http://epic-webgisportugal.isa.ulisboa.pt/maps/epicformat=image/png;%20mode=8bit&startExtent=-1523000,4400000,-143668,5180000; - 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 chrono

	sequence: 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; - National Forest Inventory IFN6: http://www2.icnf.pt/portal/florestas/ifn/resource/doc/ifn/ifn6/IFN6_Relatorio_completo-2019-11-28.pdf.
Risk Rating	Specified Risk
Comment or Mitigation Measure	Before harvesting operations commence the plot is visited and evaluated. Best forestry practises are applied. Steps taken: - Where needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha are planned; - Regeneration focusses on tree species that maintain or improve soil quality; - Leave nutrients in the forests, mainly the green fraction of forest residues less or equal to 3 cm (on the other hand other forest residues need to be cleared to prevent forest fires; - Do not operate near-water areas; - Fertilisation of the ground, when needed and possible. - On dry locations selective cuttings are normally preferable, because the ground gets less direct impact of the sun and the forest can maintain soil quality and regenerate naturally. 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	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. In practise, landowners and harvesting companies often have little knowledge of key-habitats and about habitats that need to be conserved. Portugal has identified the Nature 2000 areas (protected areas). There are no CITES tree species in our supply base. Remains of the forest ecosystems are 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 in corporates the central areas of nature conservation and biodiversity: · RNAP; · SICs and ZPEs of the Natura2000 network;

	· Any other areas classified under the umbrella of international commitments agreed upon by the Portuguese state, and areas of continuity: · REN; · RAN · DPH (public hydric domains), safeguarded by the respective legal regulations.
Means of Verification	- Information on internet is checked (e.g. Hotspot Areas for Biodiversity and Ecosystem Services); - Any kind of forest plan and study descriptions and proposed measures; - Enermontijo's field study of harvesting plots and operations (check lists); - Best forest management practices; - Habeas website: https://www.habeasmed.org/webgis/lizmap/www/index.php/view/map/repository=habeas&project=habeas_2_0; - Publicly available information on programmes to protect the identified values.
Evidence Reviewed	- Birds (2008-2012) and Habitats (2007-2012); - Directive Implementation Report: http://www2.icnf.pt/portal/pn/biodiversidade/rn2000/dir-ave-habit; - INCF Birds Directive (2008-2012) article 12 http://www.icnf.pt/portal/pn/biodiversidade/rn2000/diravehabit/resource/doc/National_Summary_for_Article%2012%20_%20PT.pdf; - SPEA: https://www.spea.pt/categoria-observacao/ibas-areas-importantes; - Habeas website: https://www.habeasmed.org/webgis/lizmap/www/index.php/view/map/?repository=habeas&project=habeas_2_0; - National Forest Inventory IFN6: http://www2.icnf.pt/portal/florestas/ifn/resource/doc/ifn/ifn6/IFN6_Relatorio_completo-2019-11-28.pdf. Also see "Evidences reviewed" of indicators 2.1.1 and 2.1.2.
Risk Rating	Specified Risk
Comment or Mitigation Measure	The producer 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. Steps taken: - Training of suppliers, assessing and selecting 'SBE approved' suppliers; - Desk assessment (before harvesting operations commence) of key ecosystems and habitats: . All classified areas: - National Network of Protected Areas; - Special Areas of Conservation (SAC); - Special Protection Areas (SPA); - Ramsar sites; - Important Bird Areas (IBA); - Priority habitats in Natura 2000 network; - Areas where threatened species occur; - Areas where endemic species of the Iberian Peninsula occur; - Areas where seasonal concentrations of species occur; - Large landscape level forests; - Important areas for watershed protection; - Forest plot inspection prior harvesting;

	- Mapping of the harvesting plot, indicating key ecosystems, habitats and objects of importance to biodiversity; making photos prior harvesting; - Best forestry practices, including measures to conserve and increase biodiversity (for example, standing dead wood; - Change of operational plan, if needed; - Inspection of the execution of forest operations at the harvesting areas. Enermontijo keeps records of field inspections and continuously evaluates feedstock suppliers.

	Indicator
2.2.4	The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	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, and 17 amphibians and 34 reptile species that are present in Portugal. Some of the main threats to the biological diversity of Portugal include: change or destruction of habitats; pollution; overexploitation; invasive alien species; urbanization and fires. This, combined with the fact that there are many small parcels to which little rules apply and the aggressive nature of Eucalyptus vegetations puts biodiversity under pressure; several sources report its decline (e.g. IUCN, 2013). Biodiversity is included on fundamental environmental law on its article 10th (Law 19/2014, of 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 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.' It is considered that a significant part of biodiversity is covered and detailed by indicators 2.1.1 and 2.1.2 (HCVs 1 and 3), and 2.2.3 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.
Means of Verification	- Information on internet is checked (e.g. Hotspot Areas for Biodiversity and Ecosystem Services); - Checked the availability of any kind of forest plan and study descriptions and proposed measures on key-ecosystems; - Field study of the harvesting plot and operations (check lists);

	- Red Lists of CITES, IUCN and national legislation on protected species; - Best forest management practices. See also 2.1.1, 2.1.2 and 2.2.3.
Evidence Reviewed	- International Union for Conservation of Nature, May 2013: https://cmsdata.iucn.org/downloads/portugal_s_biodiversity_at_risk_fact_sheet_may_2013.pdf; - Fundamental Environmental Law nr. 19/2014, of 14/04: http://www.icnf.pt/portal/icnf/legisl/legislacao/2014/lei-n-o-19-2014-de-14-deabril-d-r-n-o-73-serie-i; - Decree-Law nº142/2008, of 24/07: https://dre.pt/application/file/70698029; - Convention on biological diversity: https://www.cbd.int/countries/profile/default.shtmlcountry=pt#nbsap. See also evidence reviewed at indicators 2.1.1 and 2.1.2.
Risk Rating	Specified Risk
Comment or Mitigation Measure	- Training of suppliers, assessing and selecting 'SBE approved' suppliers; - Desk assessment (before harvesting operations commence) of key ecosystems and habitats: o All classified areas: - National Network of Protected Areas; - Special Areas of Conservation (SAC); - Special Protection Areas (SPA); - Ramsar sites; - Important Bird Areas (IBA); o Priority habitats in Natura 2000 network; o Areas where threatened species occur; o Areas where endemic species of the Iberian Peninsula occur; o Areas where seasonal concentrations of species occur; o Large landscape level forests; o Important areas for watershed protection; · Informing harvesting teams on the found results; · Forest plot inspection prior harvesting; · Mapping of the harvesting plot, indicating key ecosystems, habitats and objects of importance to biodiversity; making photos prior harvesting; · Best forestry practices, including measures to conserve and increase biodiversity (for example, standing dead wood; · Change of operational plan, if necessary; · Inspection of the execution of the forest operations at the harvesting areas. Enermontijo keeps records of field inspections and continuously evaluates the results of the feedstock suppliers, which can lose there status as 'SBE approved supplier'.

	Indicator
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	In Portugal forest residues removal from forests is clearly regulated. 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 For soil matters related with residue removal see indicator 2.2.2.
Means of Verification	- Best Management Practices and any measures designed optimise operations to minimise impacts to ecosystems; · Felling manifests; · Records of Enermontijo 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/documentostecnicos/resource/doc/Boas-Praticas-Florestais.pdf; - Pinus Wilt Disease: • Dec. Retif. n.º38/2015, of 01/09 • DL 123/15, of 3/07 • DL 95/2011, of 8/08 • DL 154/05, of 6/09 • Dec. n.30-A/2011, of 7/10 See evidences listed at indicator 2.2.2.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	The small land owners are not obliged to take the risks to the surroundings into consideration. These risks can also be related to water lines. The landscape can create dangerous runoff issues. The thresholds mentioned by law are 50 ha and 10 ha. This are still very large areas regarding the populated and hilly countryside in Portugal. A clear-cut area of less than 10 ha can easily create runoff and erosion dangers to residents living down the hill. 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.’ 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. Enermontijo 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 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 ha is defined as the maximum clearcuttings area as defined on Regional Forest Plans. Also some Municipalities may have municipal regulations about clearcutting felling's. 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 monospecific 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.
Means of Verification	- Enermontijo studies data (from publicly available information, researches and programs) for its harvesting teams on ground water, surface water and streams; - Information on internet is checked (e.g. Hotspot Areas for Biodiversity and Ecosystem Services). Regional, publicly available data from credible third parties; - Aerial photos / google maps; - Check the availability of any kind of forest plan, study descriptions and proposed measures; - Enermontijo’s field study harvesting plot and operations (check lists) - Best forest management practices. See also 2.1.1, 2.1.2 and 2.2.3.
Evidence	- Decree-Law n.º130/2012, of 22/06: https://dre.pt/application/dir/pdf1sdip/2012/06/12000/0310903139.pdf;

Reviewed	- 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.

Risk Rating	Specified Risk
Comment or Mitigation Measure	- Enermontijo monitors the harvesting operations of its feedstock suppliers; best practices are required to comply with the SBE program requirements. - Desk assessment (before harvesting operations commence) of Important areas for watershed protection; - Cork oak and holm oak savannas located in areas with an aquifer recharge rate of over 175 mm/year; - Aquifers: · The plots and the surroundings (hill slopes and streams) are inspected on: o Runnoff problems (regarding the landscape, onsite and in the surroundings); o Groundwater level problems (too high or too low); o Protection of riversides and (lake) coastlines. - In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha; - Best forestry practices: feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water runoff; - Runoff of elements of fertilizers and pesticides into the surrounding environment; - Inspection of the execution of the forest operations at the harvesting areas.

	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	The legal framework on air quality includes a law on air quality and a national air quality plan. The Portuguese Environment Agency is the national authority. Law-enforcement 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. Based on available information the requirements included in this indicator are considered low risk.
Means of	- Existing legal framework. Laws, regulations and control bodies; - Procedure ‘Best practices regarding harvesting operations’;

Verification	- Check lists on feedstock suppliers and harvesting operations; - Assessment at an operational level of measures designed to minimise impacts of forest operations; - Publicly available information on the protection of air quality as APA website; - Contracts with suppliers, ITV documents (BP, subcontractors and suppliers).
Evidence Reviewed	- Environmental Laws: Law n.º19/14, of 14/04 Artº10ºd); DL nº49/05, of 24/02 Artº20º; DL 197/2005, of 8/11 Artº1º,nº3b) e nº4; - Decree-Law n.º102/2010, of23/09: https://dre.pt/application/dir/pdf1sdip/2010/09/18600/0417704205.pdf; - Machinery: NP 1948, of 1994; NP 2761, of 1988; NP EN 13525:2005+A2:2009.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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 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 law enforcement 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. 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 (*Thaumetopoea pityocampa*) and the eucalyptus snout beetle (*Gonipterus platensis*), but in both cases there are also other biologic and genetic measures.
Means of Verification	- Existing legislation; - Law-enforcement; - Assessment at an operational level of measures designed to minimize impacts; - Monitoring records, interviews with forest owners.

Evidence Reviewed	- Law n.º26/2013, of 11/04: https://dre.pt/application/file/260367 - Pine processionary official Plan: http://www.icnf.pt/portal/florestas/pragdoe/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	Not Applicable

	Indicator
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 law which applies to Portuguese context the EU Directive n.º 2008/98/CE. Portuguese Environment Agency is the national authority but other law enforcement authorities like SEPNA (National Republican Guard) and Nature Guards and Vigilantes, are also involved. 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. 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.
Means of Verification	- Existing legislation, government authorities in law enforcement; - Enermontijo's Best Management Practices; - Enermontijo's field inspections; - Contracts /agreements with suppliers.
Evidence Reviewed	- Waste Management and Planning Official page: https://www.apambiente.pt/index.php?ref=16&subref=84; - Decree-Law n.º73/2011, of 17/06: https://www.apambiente.pt/_zdata/Politicas/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/statisticsexplained/index.php/Waste_statistics/pt; - Normas Técnicas Planos Gestão Florestal, ICNF: http://www.icnf.pt/portal/florestas/gf/pgf/resource/doc/manual/normas-tecn-PGFAFN.pdf.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	Statistical information on National Forest Inventory is fully available from IFN6 (2015). The research states: - In 2015, Portugal had 172 million cubic meters (Mm3) of wood in growth, similar to what was found in IFN5 (2005); - The maintenance of wood volumes between the last two inventories reveals that in this period the forest production, in global terms, can be considered as sustainable, as the wood cuts and losses due to fire or pests were in balance with the growth of the forest. However, this analysis carried out for the main species with woody use reveals a different situation; - The volume of growing wood (living trees) of maritime pine presents a decrease of 15 Mm3 in relation to the previous IFN, amounting to 67 Mm3 in 2015; - The volume of growing eucalyptus wood has remained constant since IFN5 (43 Mm3), despite the increase in area of around 59 thousand ha. In other words, the availability of maritime pine wood is decreasing and that of eucalyptus does not follow the increase in area; - In terms of woody biomass and carbon stored in living trees in forest areas, there is an increase in both values, resulting from the change in the specific composition of the forest, and partially from the improvement of assessment methods. Estimates of carbon stored in other reservoirs in the forest were also included, namely, undercover, dead wood and litter; - Eucalyptus plantations occupy 845,000 ha, around 26% of the continental forest and have shown a systematic increase over the last 50 years; - The report indicates a clear continuous trend from 1995 to 2015 that the area of eucalyptus plantations is increasing (in total +18%) and area of maritime pine forests is decreasing (-27%). The Eucalyptus plantations need to be maintained well, the land needs to be fertilised and consumes more water. The risk of desertification and thus the loss of forest productivity and economic viability in the long term is higher regarding eucalyptus plantations. These general final data do not show the dynamics behind changes in land use, there is a lot going on in Portugal today, for example, pine forests could have become urban areas, and agricultural land could have become an eucalypt plantation. The above information indicates that in general harvesting volumes do not exceed sustainable values on a national. However, harvest levels are not justified by inventory and growth data at level of for example small private forest owners, which in the north part of the country hold most of the forest land. The data of the FAO stat and IFN6 do not correspond precisely on total forest area in Portugal, but both organisations conclude that the trend of steady decline in forest area was broken around 2010. After 2010 both organisations see a slight increase of forest area in Portugal. Regarding sustainable forest management harvesting levels: 1. Fires continue to be a problem in Portugal; 2. Pinus Wilt Disease/Nemátodo-da-madeira-do-pinheiro pest significantly affects *Pinus pinaster* stands; 3. Data from CentroPinus state pine wood is imported from Spain (3% of the used volumes). 4. Data from CELPA states that Eucalyptus is also imported, mainly from Spain. Forest fires have a significant negative impact on forest productivity and the long-term economic viability of forests. Forest fires can be seen as a structural problem in forestry in Portugal, mainly the result of a lack of forest maintenance (no cleaning of low grade biomass in eucalypt plantations) and out-of-control unlawful activities. The largest forest fires where after 2015 and are not represented in the IFN6. This issue is dealt with by indicator 2.4.2.

	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.
Means of Verification	- National or regional inventories, general data on harvesting and increment, stocks, yield calculations; - Management Plans, including stocks and growth data, if applicable; - Forest management results, including harvested and new wood data; - Type of forest and forest operations per location.
Evidence Reviewed	- National Forest Inventory IFN6: http://www2.icnf.pt/portal/florestas/ifn/resource/doc/ifn/ifn6/IFN6_Relatorio_completo-2019-11-28.pdf; - DW – Portugal struggles to get forest fires under control: https://www.dw.com/en/portugal-struggles-to-get-forest-fires-under-control/a-55039934; - Estratégia Nacional das Florestas (RCM n.º6-B/2015-Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF: http://www.icnf.pt/portal/icnf/docref/enf; - Estatísticas Agrícolas 2015.xls; - Instituto Nacional de Estatística: https://www.ine.pt/xportal/xmainxpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=271434407&PUBLICACOESmodo=2); - Inventário Florestal Nacional IFN5 (FloreStat_IFN5): http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin; - Boletim-Estatístico-da-Celpa-de-2014: http://www.celpa.pt/wpcontent/uploads/2016/09/Boletim_WEB_2015.pdf; - Relatório-de-Caracterizacão-da-Fileira-Florestal-2014: http://www.aiff.org.pt/assets/Relatorio-de-Caracterizacao-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 de gestão florestal: https://dre.pt/application/dir/pdf1sdip/2009/01/00900/0026800273.pdf); - ICNF: 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, ICNF portal: http://www.icnf.pt/portal/florestas/gf/pgf/resource/doc/manual/normas-tecn-PGFAFN.pdf.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	In Portugal, health and safety at work is heavily regulated in accordance with point 3.4 of Annex C2, which covers all forestry and forestry-related activities, namely the requirements for group and individual protective equipment, the use/verification of forestry machinery and the use of plant protection products. Authorities with specific jurisdiction for licensing and inspecting the provisions of health and safety at work legislation in Portugal are: ACT (Working Conditions Authority); DGS (General Directorate of Health); and ANPC (National Civil Protection Authority). All companies must provide an annual report to the (Ministry for Solidarity and Social Security), which is registered in Annex D, with: • Quantity and severity of accidents at work and occupational diseases; • Training hours related to OSH (occupational safety and health); • Organization of OSH services; • Risk identification, assessment, and control; • Periodic and occasional aptitude tests. ACT has developed a set of initiatives and projects aimed at the forestry sector. These consist of awareness and training in the most significant risks in forestry. FSC Portugal and forestry stakeholders were involved in some of these initiative. Information is not listed separately for the primary sector, so there are no statistics available on the trend of accidents at work in forestry. The publication on the results of accidents does not show a clear trend of improvement yet. Despite legal requirements, Portugal still performs poorly on work efficiency (and safety). 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. A centre 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. 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 Catalogue of Formations a new training on Forestry Machinery Technician not yet available. A legal obligation is that every employee should obtain 35 hours of training per year.
Means of Verification	- Enermontijo's monitoring procedures include checklists on feedstock suppliers (office and forest operations sites); - Qualifications of employees and proof of followed training courses (Enermontijo and its suppliers); - Contract and training records Prevention Service Enterprise; - Other Training Certificates; - Manual of Good Forestry Practices; - Contracts with providers.
Evidence	- Estratégia Nacional das Florestas (RCM n.º6-B/2015-Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); - ICNFportal: http://www.icnf.pt/portal/icnf/docref/enf; http://www.icnf.pt/portal/florestas/gf/cotf;

Reviewed	http://www.icnf.pt/portal/florestas/gf/cotf/o-q-e; http://www.icnf.pt/portal/florestas/gf/cotf/formacao; - Actividades ACT (ACT Activities Report) - http://www.act.gov.pt/;/CentroInformacao/Estatistica/Paginas/AcidentesdeTrabalhoMortais.aspx - Catálogo Nacional de Formações: http://www.catalogo.anqep.gov.pt/PDF/QualificacaoReferencialPDF/1065/CA/duplacertificacao/623314_RefCA; http://www.catalogo.anqep.gov.pt/boDocumentos/getDocumentos/522; - Lei n.º3/2014, of 28/01; - Declaração de Retificação n.º20/2014, of 27/03.
Risk Rating	Specified Risk
Comment or Mitigation Measure	- Training records are obligatory according to the law and records of qualification and training are collected during supplier qualification process and checked during supplier inspections; - Enermontijo trains personnel on all relevant aspects and demands the same from its feedstock suppliers; - Enermontijo trains the suppliers in several fields, including identification of key ecosystems, habitats and species biodiversity (annually and additionally based on the results of the plot assessments); - Training on best forest management practices; - Enermontijo performs supplier inspections: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits. At the same time is checked if all requirements on work safety are met.

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	The biomass sector in Portugal is complementary with other wood industries, as it uses and processes only low quality wood and forest residues and secondary feedstock. It is, for example, essential there is a market for low-grade eucalyptus forestry residues (which are a risk for forest fires) and for burnt wood. The maritime pine stands often have to be cut at a relatively young age also, as they are prone to diseases. Stone pine (*Pinus pinea*) plantations, which are cultivated extensively for the production of edible seeds, need to be maintained (pruning). These forms of low-grade feedstock, together with other primary feedstock from maintenance operations, is used to produce industrial wood pellets, and in most cases would not have found a market otherwise. The biomass market makes forest maintenance and thinning feasible, as also creates a market for cleaning eucalyptus stands. Ever more people have a job at a biomass producer in Portugal, and the sector is pushing sustainability of the whole sector forward through strict certification programs such as FSC and SBP. All these activities decrease the chance of forest fires, which are perceived as the greatest threat to local communities. The EUROSTAT report of 2020 states: Portugal was the main producer of cork in the EU; the output value of its non-wood products was EUR 282 million in 2017, more than one fifth (22,4 %) of its total output for forestry and logging. 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 7,392M€ (2 497,6M€ wood and furniture industry, 1 320,4M€ cork industry and 3 574,6M€ pulp and paper industry), representing 10% of all Portuguese processing industry. Feedstock from Portuguese forests is supplied through local supply chains to BP's and the activity contributes to local economies. The biomass sector is complementary with other wood industries as it mainly uses very low quality primary and secondary feedstock.
Means of Verification	- National and regional data and statistics on economic performance of the biomass sector; - Enermontijo's economic data on feedstock procurement, employment and tax payments.
Evidence Reviewed	- Instituto Nacional de Estatística -Estatísticas Agrícolas– 2018 (2019): https://www.ine.pt/ngt_server/attachfileu.jsp?look_parentBoui=383057785&att_display=n&att_down load=y; - Eurostat- Agriculture, forestry and fishery statistics 2020 edition: http://www.agronegocios.eu/noticias/eurostat-publica-estatisticas-da-agricultura-esilvicultura-de-2020/ https://ec.europa.eu/eurostat/documents/3217494/12069644/KS-FK-20-001-ENN.pdf; - Estratégia Nacional das Florestas (RCM n.º6-B/2015 -Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); - ICNF: http://www.icnf.pt/portal/icnf/docref/enf; - Estatísticas Agrícolas 2015; - Instituto Nacional de Estatística: https://www.ine.pt/xportal/xmainxpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=271434407&PUBLICACOESmodo=2; - Relatório-de-Caracterizacão-da-Fileira-Florestal-2014: http://www.aiff.org.pt/assets/Relatorio-de-Caracterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf; - Fileira do Pinho: desafios e oportunidades (centroPINUS_JoaoGonçalvesdadosfileira pinho 2014.pdf); - Centro Pinus: http://www.centropinus.org/index.php?lingua=1.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	Forest is normally a multifunctional land-use category of high value, whether commercially or in terms of the environmental services. In Portugal there are various important forest areas in terms of protecting services by forest ecosystems, such as river basins and soil conservation. These areas are included in REN (National Ecological Reserve) and PROFs (Regional Forest Management Plans), which are mapped and available at the municipal level. These are useful tools which identify these critical areas and contribute to the sustainability of services provided by forest ecosystems. 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 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). Forests can be essential for: · Recreation in and around the forests; · Breaking hard winds and rainfall (agriculture, roads and houses); · Hunting, fishing and gathering of berries and mushrooms; · Agriculture near the forests (this is of much importance in Portugal); · Recreational and aesthetic values, the impression of the surroundings; · Air quality, a buffer between motorways and urban areas. To address these points, 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. Regarding the larger forest areas in Portugal and many small forest plots, most of the forest functions are considered sufficiently. However, regarding the many very small forest plots, some functions of forests and possibly of individual tress could be overlooked, as stakeholder consultation is not common practise before starting forest operations.
Means of Verification	- 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; - Monitoring results; - Experts consultations; - Interviews with local people; - Complaint and comments procedure of Enermontijo and its suppliers; - Enermontijo's best forestry practises.
Evidence Reviewed	- Estratégia Nacional das Florestas (RCM n.º6-B/2015-Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); - ICNF: 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-ed/view; - Medidas Controlo Nemátodo-da-Madeira-do-Pinheiro_03_2015, ICNF portal: http://www.icnf.pt/portal/florestas/pragdoe/resource/doc/divul/apresentacoes/20150312/NMP_03_2015.pdf; - Relatório-de-Caracterizacão-da-Fileira-Florestal-2014: http://www.aiff.org.pt/assets/Relatorio-de-Caracterizacao-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-pelasflorestas.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	Fires are today the greatest perceived risk in the Portuguese forest sector. It can initiate a regressive vicious cycle that combines fire, drought, pests, diseases and invasive species. The forest fires are not only a treat for forests, but also for human lives. **Forest fires** Every year people face the devastating power of forest fires in Portugal, it is one of the most forest-fire ravaged countries in Europe. Poor management of eucalyptus stands are one of the main reasons of the fires. The forests and in particular the eucalyptus plantations are insufficiently maintained and as a result inflammable biomass accumulates. Regarding forest fires, many issues come together: - Due to urbanisation, forests are increasingly poorly maintained in the rural areas with many small forest plots (mainly in the north of Portugal), this also gives issues regarding ownership rights and harvesting operations. - The uncontrolled sprawl of eucalyptus, which has been troubling Portugal for decades. Eucalyptus plots supply much of the raw material for Portugal's important pulp industry. These exports account for 1,5% of the gross domestic product (GDP). Small landowners hope to make a profit on Eucalyptus, as it has short rotation periods. - Eucalyptus needs a lot of water to grow; the eucalypt forest residues and tree stems burn like tinder. The flying sparks spread forest fires many kilometres further away. - 97% of the forest lands are privately owned, 85% of the forest plots measure less than five hectares. There is no forest planning on most of the small plots. Although the south of Portugal is the warmer and dryer than the north, the most forest fires are in the north and middle of Portugal, where the forests are characterised by many very small private forest plots, often Eucalyptus wood lands. - Allegedly, some of the forest fires would be lit on purpose by people with an economical interest in harvesting (burnt) wood; - On top of all this there is climate change, making the climate warmer and the soils dryer. National Forest Inventory states: ‘The IFN6 characterizes the state of the forest in 2015 which is different from its current situation in 2019, which results from the dynamics of forest ecosystems and also from the consequence of severe rural fires in 2017 and 2018 (Monchique). The impact of these disturbances and the afforestation/reforestation and

	resource exploitation dynamics will be duly assessed in the next IFN. However, it is possible to make rough estimates of the consequences of these rural fires based on existing data from the IFN6 and the affected areas. Thus, this report contains estimates regarding the burned area.' Considering the lack of an implementation of forest management plans and forest debris cleaning, the risk of forest fires is high. Fires are today the greatest perceived risk in the Portuguese forest sector. 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), a forest management instrument to ensure sustainability at the landscape scale. In July 2016 there were 179 ZIFs, covering 924 447 ha 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. **Pests and diseases** Besides the specific operations listed above, a National Action Plan for Control of Pine Wilt Disease (NMP in PT) *Bursaphelenchus xylophilus* and its vector insect *Monochamus galloprovincialis* is in place. This mostly focuses in our case, *Pinus pinaster* (23% of all forest areas) but applies to all other host conifers (*Abies spp.*, *Cedrus spp.*, *Larix spp.*, *Picea spp.*, *Pinus spp.*, *Pseudotsuga spp.*, *Tsuga spp.*) –, with these species covering 8% of forests. For these species there is the 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. Regarding the statistical information available for average annual growth (AMA) from IFN5 (2005) Pinus Wilt Disease/Nemátodo-da-madeira-do-pinheiro pest have affected significantly *Pinus pinaster*. Actions taken to fight pests: - Traps for NMP (Pine Wood Nematode (*Bursaphelenchus xylophilus* and its vector the insect *Monochamus galloprovincialis*); - Use of net (cover) during transport of wood in the period insect vector NMP; - Phytopharmaceutical application on the ground; - Crushing of the same wood with no lead time of 2, 3 days. wood with symptoms; - Ensure that all suppliers have an economic operator registration; - Enermontijo only accepts feedstock with the manifest; - Cleaning of all utensils and machinery used in the handling of woody material; - Application of good forest practices to avoid a spread of this pest.
Means of Verification	- Existing legal framework, regulations and law enforcement organisations; - Check the availability of a forest plan and study descriptions and proposed measures; - Internet sources on forest fire risks and prevention; - Aerial photos / google maps; - Enermontijo's field study of the harvesting plot and operations (checklists); - Best Management Practices.
Evidence Reviewed	- National Forest Inventory IFN6: http://www2.icnf.pt/portal/florestas/ifn/resource/doc/ifn/ifn6/IFN6_Relatorio_completo-2019-11-28.pdf; - DW – Portugal struggles to get forest fires under control:

	https://www.dw.com/en/portugal-struggles-to-get-forest-fires-under-control/a-55039934; - Estratégia Nacional das Florestas (RCM n.º6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); - ICNF: http://www.icnf.pt/portal/icnf/docref/enf; - Programa Operacional de Sanidade Florestal, ICNF portal: http://www.icnf.pt/portal/florestas/prag-doe/posf; - Fitossanidade florestal. Divulgação e informação, ICNFportal: 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-ed/view; - Medidas 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; - Decree-Law 123-2015 Nemátodo do Pinheiro: https://dre.pt/application/file/67649256; - ICNF portal: http://www.icnf.pt/portal/florestas/prag-doe/ag-bn/nmp; - Declaração Retificação n.º38/2015, of 01/09: https://dre.pt/application/file/70144398; - 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-Caracterizacão-da-Fileira-Florestal-2014: http://www.aiff.org.pt/assets/Relatorio-de-Caracterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf.
Risk Rating	Specified Risk
Comment or Mitigation Measure	Specified risk for forest fires only. Enermontijo studies data from publicly available sources, researches and programs on risks and regulations regarding forest fires (diseases and pests) and informs the harvesting teams; considers the forest harvesting plan. Of importance are: - Investigation of PMDFCI (Municipal Forest Fire Protection, Plano Municipal de Defesa da Floresta Contra Incêndios); - Visual inspection of the plot before harvesting; - Implementation of forest fire fighting measures according to law; - Best forest practices; - Monitoring performance by Enermontijo. - Visual inspection of the plot before harvesting (checklists). Checked is if the plot was managed well on fire protection in the past, as also if the present operations and plans are conform best practices, if not, the feedstock is not considered SBP compliant. Only in case sustainable forest management has been implemented and the forests, and in particular the eucalyptus plantations have been managed according to best practises and forest fire prevention requirements (cleaning along roads etc) the feedstock is considered in compliance with this SBP requirement. Maintenance and thinning activities, and use of burnt and end of life timber by Enermontijo has a positive effect on mitigating the risk of forest fires.

	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	Several sources confirm that unauthorized activities such as illegal logging, mining and encroachment are not a significant problem in Portugal. Small problems as illegal littering, loose dogs, unauthorized sports, theft of firewood or fruits, and poaching do occur. Illegal or unauthorised activities in Portuguese forests generally have limited economic or biological impact.
Means of Verification	- Records of Enermontijo field inspections; - Publicly available information (news and media); - Delivery notes, felling manifests, invoices, among other legal documents, waybills, transport/shipping documents, AT Guide; - Availability of the cadastre: http://mapas.dgterritorio.pt/cadastro/cartacadastral/index.html; - Description on the Land Registry (Descrição na Conservatória do Registo Predial); - 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.
Evidence Reviewed	- Transparency International. CPI Portugal: https://www.transparency.org/en/countries/portugal; - FSC CW NRA 2018: https://ic.fsc.org/en/document-center/id/239; - Illegal Logging Portal, Portugal: http://www.illegallogging.info/regions/portugal; - CIFOR fact sheet on illegal logging: https://www.cifor.org - Constitution (Constituição da República Portuguesa): http://www.parlamento.pt/Legislacao/Documents/constpt2005.pdf; - Cadastre at Direção Geral do Território; - '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-emportugal_ypUM5ASBAUmUpHUlgJtp0A.pdf; - 'Cadastro a prédios rústicos e urbanos em Portugal custaria 700 M€'; Lusa Última Hora, 27/03/2014, in Revista Visão: https://visao.sapo.pt/lusa/2014-03-27-cadastro-a-predios-rusticos-eurbanos-em-portugal-custaria-700-mef774740/.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	There are no indigenous people in Portugal nor minorities dependant on forests for their livelihood. 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 is under communitarian 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, the civil code is applied, which includes the following rights: to use; transform; exclude and defend including the rights to delimitation, prohibition and defense, return and compensation, sell. 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 usual, 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 pine cones were of free use until forty years ago when it became private property. Another example is game hunting which is still a public, 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 collect, like pine cones or other NonTimber Forest Products (NTFPs). Customary right are described in article 348th of the Portuguese civil code. The interpretation of laws is described in 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). Customary Rights are also described by the Portuguese Standard for Forest Management (NP4406:2014).
Means of Verification	- Enermontijo's field study (checklists); - Interviews with local residents, communities and other stakeholders; - Records on complaints and comments to resolve disputes (see 2.6.1).
Evidence Reviewed	- Estratégia Nacional das Florestas (RCM n.º6-B/2015 -Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); - ICNF: http://www.icnf.pt/portal/icnf/docref/enf; - Law nº68-93 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; - Decree-Law n.º254/2009, of 24/09: http://www.proder.pt/ResourcesUser/Legisla%C3%A7%C3%A3o/Nacional/Decreto-Lein%C2%BA254-2009.pdf; - Law n.º12/2012, of 13/03: https://dre.pt/application/dir/pdf1sdip/2012/03/05200/0110301103.pdf; - Port. nr. 247/2001, of 22/03: https://dre.pt/application/dir/pdf1sdip/2001/03/069B00/16111612.pdf.
Risk Rating	Low Risk

Comment or Mitigation Measure	Not Applicable

	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. There are no indigenous people in Portugal nor minorities dependant on forests for their livelihood.
Means of Verification	Appropriate mechanisms exist to resolve disputes (see 2.6.1).
Evidence Reviewed	- Coelho, I.S. (2003) -Propriedade da Terra e Política Florestal em Portugal: http://www.scielo.mec.pt/pdf/slu/v11n2/v11n2a05.pdf; - FSC National Risk Assessment for Portugal (FSC-NRA-PT V1.0): https://fsc.org/en/document-centre/documents/resource/292.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	There are a very large number of land owners with small properties in Portugal (400 000 – 500 000 forest owners) and an even larger number of local stakeholders. Nearly half of the country lacks cadastral data, which gives problems on assessing the boundaries of harvesting plots. This indicator is important to perform sufficiently on respecting local interests, as well as complying with legality and sustainability aspects. Land owners and harvesting companies normally do not actively implement complaint procedures and do not keep records on complaints and comments. The 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. The 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, land tenure right are included in private property rights Constitution article 62th. These rights include communitarian forests and also Forest Renting/leasing contracts. 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.
Means of Verification	- Laws and regulations rights and on handling complaints and on solving disputes; - Complaint procedure and log book; - Field and office inspections (checklists); - Interviews with land owners, local residents and other stakeholders Best Forest Management Practices.
Evidence Reviewed	- Labour Code Law n.º7/09, of 12/02: http://www.act.gov.pt/(ptPT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx; - Portuguese Constitution; - Civil Code: http://www.pgdlisboa.pt/leis/lei_mostra_articulado.php?nid=775&tabela=leis.
Risk Rating	Specified Risk
Comment or Mitigation Measure	Considering the situation in the forest sector in Portugal this indicator needs much attention in order to perform sufficiently well on legality and social aspects related to forest management and best practices, and in order to comply with SBP's indicators on sustainable biomass. This indicator is an important 'safety net' for several indicators classified as specified risk and low risk. - Enermontijo takes seriously any complaint of any person or organisation. This also improves performance on respecting local interests. The aim is to track down and solve complaints and disputes before the harvesting operations commence. - Enermontijo actively prevents grievances and disputes to arise, it has a complaint procedure and keeps records. The feedstock suppliers are required to pro-actively implement a complaint procedure and keep records (which are checked). - Enermontijo makes clear to employees and stakeholders that any complaint or comment related to its feedstock supply is taken very seriously, to ensure sufficient performance on legality and social aspects. - Enermontijo monitors the harvesting operations of its feedstock suppliers and checks their records on Complaints and Comments. Proactive interviews are undertaken with relevant stakeholders on submitted comments (orally and in writing), and assessment if complaints were dealt with sufficiently. The results of the inspections of Enermontijo have direct influence on the 'SBE program approved' status of feedstock suppliers.

	Indicator
2.7.1	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.
Finding	Portugal has ratified all eight fundamental ILO conventions. The status on the ILO website for all eight conventions is 'in force', which include 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. These rights are included in the Portuguese constitution (article 56) and labour law. 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. International Trade Union Confederation (IUTC) ranks Portugal has a country that has 'Regular violations of rights'. The government and/or companies would be regularly interfering in collective labour rights. There are deficiencies in laws and certain practices which make the violations possible.' 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.
Means of Verification	- Enermontijo's inspections of field work and supplier's offices; - Interviews on freedom of association and the right to collective bargaining; - Portuguese constitution and other legislation; - Level of enforcement; - Data from credible third parties; - Publicly available information (news and media), websites and publications of Human Rights Watch; - Global Witness, Chatham House, Amnesty International and others. - ILO website.
Evidence Reviewed	- FSC CW NRA 2018: https://ic.fsc.org/en/document-center/id/239; - Agriculture, Food and Forest Union: http://www.setaa.pt/index.php/Geral/; - Boletim do Trabalho e Emprego: http://bte.gep.msess.gov.pt/; http://bte.gep.msess.gov.pt/completos/2016/bte4_2016.pdf; - 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.º7/09, of 12/02 - and updates like Law 69/13, of 30/08 includes collective

	convention: http://www.act.gov.pt/(pt-PT)/Legislacao/; codigodotrabalhoatualizado/Paginas/default.aspx; - Portuguese Constitution; - SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx; - SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/aspx/noticias/Noticias_Detalhe.aspx?id_linha=7018; http://www.sef.pt/portal/v10/PT/aspx/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%B5esco njuntas.aspx; http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-dotrabalho-gera-polemica; - ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT).
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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	In general this is not an issue in forestry in Portugal, however, the FSC CW NRA of 2018, does quote information sources on subtle forms of compulsory labour related to illegal labour and migration, but it also confirms that the applicable legislation in Portugal covers all ILO Fundamental Principles and Rights at Work and that law enforcement is being carried through. Portugal has ratified the convention against forced labour (nº29) in1956. 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 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. Sources: 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: In general this is not an issue in forestry in Portugal, however, the FSC CW NRA of 2018, does quote information sources on subtle forms of compulsory labour related to illegal labour and migration, but it also confirms that the applicable legislation in Portugal covers all ILO Fundamental Principles

	and Rights at Work and that law-enforcement is being carried through. Portugal has ratified the convention against forced labour (nº29) in1956. 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 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. Sources: 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.
Means of Verification	- Enermontijo's inspections of field work and supplier's offices; - Interviews with employees on working conditions; - Portuguese constitution and other legislation; - Level of enforcement, and known law suits; - Data from credible third parties; - Publicly available information (News and media), websites and publications of Human Rights Watch; - Global Witness, Chatham House, Amnesty International and others. - ILO website.
Evidence Reviewed	- FSC CW NRA 2018: https://ic.fsc.org/en/document-center/id/239; - III National Plan to Prevent and Combat Trafficking in Human Beings 2014-2017: 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 Right Index The world's worst countries for workers: http://www.ituc-csi.org/IMG/pdf/survey_ra_2014_eng_v2.pdf; - SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx; - SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/aspx/noticias/Noticias_Detalhe.aspx?id_linha=7018; http://www.sef.pt/portal/v10/PT/aspx/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); http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-dotrabalho-gera-polemica; - ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT)
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	Indicator
2.7.3	The BP has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Finding	The FSC CW NRA of 2018, quotes several reliable sources indicating that a considerable percentage of children live below the poverty line in Portugal and that there is a risk of child labour in several sectors, but not in forestry. The risk is seen as low, but looming. 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. (Article 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 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.
Means of Verification	- Enermontijo's inspections of field work and supplier's offices; - Interviews with employees on working conditions and child labour; - Portuguese constitution and other legislation; - Level of enforcement, and known law suits; - Data from credible third parties; - Publicly available information (news and media), websites and publications of Human Rights Watch; - Global Witness, Chatham House, Amnesty International and others; - ILO website.
Evidence Reviewed	- Legislation: Labor Code - Law n.º7/09, of 12/02: http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx; - Law n.º47/2012, of 29/08: http://www.cnasti.pt/cnasti/documentos/1403451265.pdf; - Decree Republic President 28/2000, of 1/06: http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_182.pdf; - Republic Assembly Resolution 11/98: 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/aspx/noticias/Noticias_Detalhe.aspx?id_linha=7018; http://www.sef.pt/portal/v10/PT/aspx/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-dotrabalho-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 - FSC CW NRA 2018: https://ic.fsc.org/en/document-center/id/239; - 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.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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 the majority of international reports: · Corruption Perception Index scores 62, 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. · 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: · 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.
Means of Verification	- Enermontijo's inspections of field work and supplier's offices; - Interviews with employees on working conditions; - Portuguese constitution and other legislation; - Level of enforcement, and known law suits; - Data from credible third parties; - Publicly available information (News and media), websites and publications of Human Rights Watch; - Global Witness, Chatham House, Amnesty International and others.

Evidence Reviewed	- Legislation: - Portuguese Constitution; - Labour Code: Law n.º7/09, of 12/02: http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx; - Decree-Law 42520/1959, of 23/09: http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_111.pdf; - Decree-Law 47 302/1966, of 04/11: http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_100.pdf; - Other sources: FSC CW NRA 2018: https://ic.fsc.org/en/document-center/id/239; Transparency International: http://www.transparency.org/cpi2015#map-container; - UN Sanctions List: https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidatedlist; 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-indexgetting-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/fp=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/aspx/noticias/Noticias_Detalhe.aspx?id_linha=7018; http://www.sef.pt/portal/v10/PT/aspx/noticias/Noticias_Detalhe.aspx?id_linha=6802; ACT Annual Reports: http://www.act.gov.pt/(ptPT)/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%B5 esconjuntas.aspx; http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-dotrabalho-gera-polemica; - ACT Strategic Plan for Agriculture and Forestry Activities.
Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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. The 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.
Means of Verification	- Enermontijo's inspections of field work and supplier's offices; - Interviews with employees on working conditions; - Portuguese constitution and other legislation; - Level of enforcement, and known law suits; - Data from credible third parties; - Publicly available information (news and media), websites and publications of Human Rights Watch, Global Witness, Chatham House, Amnesty International and others. - Work contracts.

Evidence Reviewed	- Portuguese Constitution;
	- Labor Code - Law n.º7/09, of 12/02:
	http://www.act.gov.pt/(ptPT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx;
	Decree-Law 77/81, of 19/06:
	http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_131.pdf;
	Decree-Law 88/81, of 14/07:
	http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_95.pdf;
	- SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx;
	- SEF Inspective news about forest sector:
	http://www.sef.pt/portal/v10/PT/aspx/noticias/Noticias_Detalhe.aspx?id_linha=7018;
	http://www.sef.pt/portal/v10/PT/aspx/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%B5
	esconjuntas.aspx; http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-dotrabalho-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;
	- FSC CW NRA 2018: https://ic.fsc.org/en/document-center/id/239.

Risk Rating	Low Risk
Comment or Mitigation Measure	Not Applicable

	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).
Finding	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 violations 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.' 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 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 9 000 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 1 700 inspections over 3 years reaching to 10 000 workers. Regardless of its legal requirements, Portugal still performs poorly on work safety.
Means of Verification	- Enermontijo (contractually) demands a control system and adequate procedures on health and safety of forest workers from its feedstock suppliers and checks the health safety of harvesting personnel during its inspections; - Enermontijo's monitoring procedure includes checklists on feedstock suppliers and harvesting operations; - Enermontijo ensures: - records of H&S procedures and Personal Protection Equipment distribution by the organization; records of machinery safety tools and equipment's on original documental register.
Evidence Reviewed	- Legislation: Labour Code -Código do Trabalho: Law n.º7/09, of 12/02 Artº127ºi): http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx; - Resolução da Assembleia da República nº109/2012, of 08/08 Art6º (Convention184 doesn't apply to industrial forest work): http://dre.pt/util/getpdf.asp?s=diad&serie=1&iddr=2012.153&iddip=20121525;

	- Aviso n.º6/2014, of 01/09: https://dre.pt/util/getpdf.asp?s=diad&serie=1&iddr=2014.6&iddip=20140033; - Law nº3/2014, of 28/01: https://dre.pt/application/dir/pdf1sdip/2014/01/01900/0055400591.pdf; - DL nº441/91, of 14/11 cap.III; - DL nº133/99, of 21/04 Artº1º; - DLnº26/94, of 1/02 Artº3º; Law n.º98/2009, of 04/09 Artº7º; - DL nº128/93, of 22/04 Artº1º; - Port. 988/93, of 06/10; - DL nº141/95, of 14/06 Artº5º; - Portaria n.º1456-A/95, of 11/10; Artº2º; - DL nº331/93, of 25/09, Artº4º; DL nº330/93, of 25/09 Artº4º; - DL 182/2006, of 6/09 Artº4º; - NP 2761:1988 Law 102/2009, of 10/09 :http://www.dgpj.mj.pt/sections/leis-dajustica/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; - 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 Direction of Social Security: http://www.seg-social.pt/dgss-direccao-geralda-seguranca-social; - Employment and Professional Training Institute: 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 countries for workers: http://www.ituc-csi.org/IMG/pdf/survey_ra_2014_eng_v2.pdf; SETAA-Sindicato da Agricultura, Alimentação e Florestas: http://www.setaa.pt/; UGT-União Geral de Trabalhadores: https://www.ugt.pt/; CGTP-Confederação Geral de Trabalhadores Portugueses: http://www.cgtp.pt/.
Risk Rating	Specified Risk
Comment or Mitigation Measure	- Enermontijo has a control system and adequate procedures on the health and safety of forest workers. - Enermontijo demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring (administrative and field) inspections. Supplier qualification process and inspections of the supplier's administration: o Insurances and aptitude forms; o Social Security;

	o Present workforce and training (new) personnel; o Health and safety procedures; o Training records and hiring of specialists; o Records of Personal Protection Equipment (PPE) distribution; o Records of machinery safety tools and equipment on documental register; o Medical record for employment. Field inspection to supplier: o Protective equipment use; o Medical kit; o Fire extinguishers; o Respect of safety distances; · Level of knowledge of personnel. All employees of the company have annual internal and external training (operations by certified companies) on workers' safety and health.

	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	IFN6 shows a slight decrease in forest area from 2008 till 2010, after which forest area increases. However, this does not show the dynamics behind the overall data. Due to land conversion, degradation of grounds and forest fires the level of carbon stock in certain regions has decreased and stays low. These processes negatively influence the accumulation of carbon stock in forest areas, keeping the level of carbon lower than this was the case in the past. 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. For example, the conversion of forests to urban use is significant (28 thousand ha). In total, the forest area decreased by 150 611 ha between 1995 and 2010, according to the ICNF.
Means of Verification	- Internet research; - Field inspections; - Regional, publicly available data from a credible third party.
Evidence Reviewed	- 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-zonashumidas-continuam-ameacadas-em-portugal); - Quercus NGO: http://www.quercus.pt/comunicados-floresta/593-2013/2982-cortede-sobreiros-em-santa-maria-da-feira-para-construcao-de-novo-parque-empresarial; http://www.quercus.pt/comunicados/2014/junho/3707-abate-de-sobreiros-na-zonade-proteccao-especial-do-estuario-de-tejo-em-benavente); http://www.quercus.pt/comunicados/2012/setembro/43-abate-ilegal-de-centenassobreiros- e-carvalhos-portugueses-no-parque-natural-do-sudoeste-alentejano-ecosta-vicentina; - 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.aspxmenuid=3&cid=1145&bl=1&viewall=true; - MedWet Mediterranean wetlands initiative: http://medwet.org/aboutwetlands/; - ICNF portal Law 58/2005, of 29/12; Law 54/2005, of 15/11 (Artº 25º) -Titularidade dos recursos hídricos: https://dre.pt/application/dir/pdf1sdip/2005/11/219A00/65206525.pdf.
Risk Rating	Specified Risk
Comment or Mitigation Measure	There is a specified risk of reducing carbon stocks in certain areas. This risk is more specifically related to the risks mentioned in the following indicators: - 2.1.3 (land conversion); - 2.2.2 (degradation of grounds); - 2.4.2 (appropriate control systems against fires, pests and diseases); Feedstock from forests converted to plantations, as also wood lands that are converted to non-forest use are not considered SBP-compliant. See also indicator 2.1.3. Feedstock from forests which are not managed according to best practices and which do not safeguard the carbon stocks above and in the ground are not considered SBP compliant. See also indicators 2.2.2. and 2.4.2. The persistent issues regarding forest fires in Portugal, mainly due to the chosen tree species, poor forest maintenance, and unlawful activities are not considered ‘natural disasters’. Considering the magnitude of the forest fires their constant character, it is one of the reasons why some forest areas have a lower carbon stock than they should have and will not reach the high carbon stocks they had previously. This issue is addressed by indicators 2.4.1 and 2.4.2. Burnt wood is however considered SBE compliant feedstock, as there is no other industry interested in such feedstock and the forests must be prepared for regeneration as soon as possible. Feedstock from clear cut old growth forests, or other forests with high carbon stocks is not considered SBP-compliant. Before harvesting commences, alternative harvesting methods are proposed. Steps taken: - Desk assessment, monitoring, and identification “Important areas for carbon storage”; - Field inspections and possible adaptions of forest management plans; - Limitation of harvesting operations on “Important areas for carbon storage”. - Inspection of the execution of the forest operations at the harvesting areas; Non-compliance with this indicator normally also results in not procuring the feedstock.

	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.
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	- Estratégia Nacional das Florestas (RCM n.º6B/2015 - Diário da República n.º24/2015, 1º Suplemento, Série I de 2015-02-04); - ICNF: http://www.icnf.pt/portal/icnf/docref/enf; - Relatório-de-Caracterizacão-da-Fileira-Florestal-2014: http://www.aiff.org.pt/assets/Relatorio-de-Caracterizacao-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	Not Applicable

Annex 2: Detailed findings for REDII

Section 1. RED II Supply Base Evaluation

Country:Portugal	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	**Finding:** Since the onset of the EUTR in 2013 entities classified as 'Operators' under the regulation have been required to register their activities on a Digital Platform managed by the Forest Authorities (ICNF). By April 2016 a total of 2762 Operators were registered in the country - of which only 34% had forest activities (forest producers, loggers and forest service providers, sawmills and timber traders). In addition to the register, Operators must have due diligence system in place for each wood/timber acquisition, which includes procedures for access to information, risk assessment and risk mitigation. Traders must maintain relevant information about suppliers and buyers of products as well as volumes traded. This information must be kept and be provided to competent authorities upon request. 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. 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, the final cut and other. In fact, a legal demanding is designed for cuttings for properties with areas below the size of obligatory Forest Management Plan but it was not defined the details and so it is not in place (article 7th of Law n.º 33/96, at 17/08). A harvesting written notice (Manifesto) is obligatory (for timber and cork), and shall be submitted to forest authorities (ICNF) before felling/extraction operation. Approval documentation is required relating to specific operations over cork (Quercus suber) and Holm oak (Quercus rotundifolia), including cutting and pruning, Holly (Ilex aquifolium) cutting, and also premature cutting of Eucalyptus and Pinus pinaster or riparian area cutting. In all areas it is obligatory to have an approved Environment Impact Assessment if afforestation or reforestation is taking place with fast-growing plantation species

	covering over 350 ha or cutting and conversion to non-forest uses in an area greater than 50 ha. A National Action Plan for Control of Pine Wilt Disease (NMP) Bursaphelenchus xylophilus and its vector insect Monochamus galloprovincialis is in place. This mostly focuses on Pinus pinaster (23% of all forest areas) but applies to all other host conifers: Abies spp., Cedrus spp., Larix spp., Picea spp., Pinus spp, Tsuga spp., Pseudotsuga spp.: with these species covering 8% of forests. Regarding the traceability of feedstock back to the harvest area, forest operators are obliged to submit the felling manifest (MCA -Manifesto de Corte de Árvores) for all species and, specifically for coniferous also the phytosanitary felling manifest, which is verified regularly by SEPNA and ASAE. The MCA is in actively in force since 2021 and is verified mainly by GNR. 97% of forest land in Portugal is private (including land owned by individuals, communities and corporations). This proportion means that 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 (c. 55% of the territory) where there is geometric cadastral data survey of rural lands (Cadastro Geométrico da Propriedade Rústica) and there is consistency between spatial and numeric information held by tax offices (matriz e secção da Caderneta Predial Rústica da repartição das Finanças). In regions where there is no rural geometric cadastre (c. 45% of the territory), the land tenure documents are based on descriptions of boundaries and communications with neighbours. In Portugal it are 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). <u>VAT (IVA) taxes:</u> A normal tax rate of 23% VAT is applied to sale of wood. In special cases, a VAT reduction to 6% or VAT exemption can be applied to the owner of ’standing wood’ or ’standing stock sales’ or if the owner is a farmer or a forester. 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 as Low risk. The payment of VAT is a simple requirement 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 specific profiles (farmers or foresters). <u>Income taxes (IRS and IRC):</u> 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 common inspections on roads with GNR- Guarda Nacional Republicana. Portugal and Portuguese forest sector are 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 and 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 no indigenous or traditional people in Portugal who could claim traditional rights to lands, forests and other resources, based on long established custom or traditional occupation and use. Instead, there are rights to pass in public roads and ways. In Portugal getting in forest lands is not considered an invasion even on private properties, and there is common use of wild products by communities (mushrooms, asparagus, snails, besides fishing on public waters). Labour rights are respected including rights as specified in ILO. Fundamental Principles and Rights at work: Portugal has ratified all 8 Fundamental ILO Conventions. **Means of verification:** - Operator registry and previous notification in all cases of harvesting (MCA); - 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: type, quantity, the supplier, origin country and place; - Valid invoice/receipts; - Valid declaration of taxes non-debt; - IES_ Annual Declaration; - Proof of Annual declaration IRS/IRC; - Taxes Single Report; - Obligatory insurance document; - Valid declaration of social security non-debt; - Enermontijo's procedure on checking the legality and origin of feedstock. - Description on the Land Registry (Descrição na Conservatória do Registo Predial); - Content certificate matrix article of tax office (Certidão de teor do artigo de Matriz da repartição de finanças) and land notebook (Caderneta predial); - Notarial deed (Escritura notarial); - Forest Renting/leasing contract (Contrato de Arrendamento Florestal); - For Collective or Comercial entities the commercial register (Certidão Permanente) to prove the specific responsibilities of owners/ managers/ presidents; - Purchase documents. **Evidence reviewed:** - Constitution of the Portuguese Republic (Constituição da República Portuguesa):

	Decree of April 10, 1976; last updated by Law nº 1/2005, 12/08. - Geometric cadastre of rustic property (CGPR): https://snic.dgterritorio.gov.pt/cartaCadastral. - Cutting Trees Manifest: D.L. nº 31/2020, 30/06. - Pine wood Nematode (NMP) phytosanitary protection measures: D.L. nº 95/2011, 08/08; last updated by D.L. nº 9/2021, 29/01. - Basic Law of Forest Policy: D.L. nº 33/96, 17/08; last updated by D.L. nº254/2009, 24/09. - Prohibition of premature cutting of forest stands: D.L. nº 173/88, 17/05; last updated by D.L. nº 254/2009, 24/09. - Timber Operator Registry (EUTR): D.L. nº 76/2013, 05/06. - (UE) Regulation n.º 995/2010 artºs 4º, 5º, 6º. - VAT Code CIVA: D.L. n.º 102/2008, 20/06 artº2º 1-a); artº9º 32) List I nº4. - Individual Income Code to Individuals: D.L. nº 442-A/88 artº4º nº3, nº4; updated by Law nº67/2015, 06/07. Preâmbulo nº9, artº3 nº1a);nº4; artº4º nº1, nº3 nº4 artº34º. - Commercial Income Code to companies: D.L. nº 442-B/88; updated by Law n.º 2/2014, 16/12, Law nº3/2014, 16/12 and Law nº4/2014, 16/12 artº1º, artº2º, artº 3º, artº18º-nº7 ; artº20º nº1 g) artº23º nº2 k). - Transparency International's Corruption Perception Index: https://www.transparency.org/en/cpi/2022 - Worldwide Governance Indicators Report at The World Bank: https://www.govindicators.org/interactive-data-access - ILO Conventions ratified by Portugal: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11110:0::NO::P11110_CO **Risk designation:** Low risk: sourcing areas with CGPR (cadastre), located in the south and partially in the center of mainland Portugal. Such areas are mainly where Enermontijo sources. Specified risk: areas with no CGPR (cadastre), mainly concentrated in the north of mainland Portugal on which plot boundaries may not be clearly available to check. **Sourcing area for which compliance needs to be demonstrated:** Areas where the specified risk designation above applies, included in the sourcing area: mainland of Portugal. **Mitigation measures:** - Investigations by means of legal document research which may be extended to interviews to local stakeholders (owners of neighbouring wood lands) and local authorities, whenever: • Cadastral data is unavailable; • Land impounded by the government; • There are complaints about the land owner, or the harvest operation. - A site visit is always conducted by the logger before the felling. An interview with the land owner or his representative clarifies: • Identification of the owner; • Proof of land ownership; • Ground boundaries of the land ownership; • Any specific issues regarding the land rights. - Confirmation of legal situation of qualified suppliers; - Confirmation of legal situation of the operation and sourcing area;

	- Procedures to conduct field Inspections to verify the aspects related with supplier, operation and sourcing area legal situation; - Disqualify material whose legal situation by any means cannot be confirmed; - Monitoring plan.
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	**Finding:** In Portugal hasn't been a legal obligation to regenerate the harvested forest areas. Nevertheless, public and private entities have mandatory forestry management plans which include an evaluation document for timber and non-timber products and, if covered by classified areas, a program for biodiversity management. Such plans shall respect the Regional Forest Management Plans (PROF), which establish specific rules of intervention, use and exploitation of the forest areas,. PROF were designed to guarantee a regular, continuous supply and the sustained production of products and services (from forests) for the present generations, without affecting the ability of future generations of the supply of the same products and services, and safeguarding the objectives set out in the respective Forest Strategies. We may then infer that the regeneration of harvested areas is here considered. The execution of the Forest Management Plans is responsibility of ICNF for public area and may be delegated for mixed properties, and is the responsibility of private individuals or forestry producers for private areas. The definition of "forests" in the Portuguese legislation includes natural forest, plantations, managed forest and non managed forest. Definition of "plantations" is similar to FSC , PEFC or SBP certification systems. The term “conversion” is used in Portuguese forestry legislation when a forest is transformed to a forest plantation. Protection laws focuses much more on particular species, rather than the intensity grade of silvicultural system used. Therefore specific legislation prohibiting conversion of forest (natural or planted) to plantations or other land uses does not exist in the forest legal framework, except in cases of protected sites and species, or after forest fires. For example, conversion from forest land to other uses (below 50ha) or to fast growth plantation (below 350 ha) is legal if it occurs in a contained (discontinuous) area. Above those areas conversion requires an approved Environment Impact Assessment. Conversion from forests to plantations has been even granted with some European Union subsidies over the time. Data from the last forest inventory, INF6, show a conversion from 1995 to 2010 of 247.000ha of forest use to Plantations, Agriculture, Urban and Shrubs, meaning an annual net decreasing of 16.440 ha (0,7 %/year). A report from the forest authority, ICNF, shows that a total of 4.304 ha of land with various species was legally converted to eucalyptus plantation between 17/10/2013 and 25/01/2016 (excluding areas below 0,5ha). In conclusion, it is clear that two types of conversion occur in Portugal: a) Legal type, which covers the majority of areas, including conversion to fast growth forest plantation or other plantations, agriculture, urbanization and dams. b) Illegal type, where conversion data is more complex and difficult to report. These cases are often reported in the media and NGO communications. Considering the absence of complete legislative requirements regulating

	converted areas after 2008, there is the risk that feedstock can be sourced from forests being converted to production plantation forest or non-forest lands. **Means of verification:** - Regional Best Management Practices - Forestry Management Plan - Supply contracts - Assessment of potential impacts at operational level and measures to minimize impacts - Monitoring results - Regional, publicly available data from a credible third party - The existence of a strong legal framework in the region Expert consultation - Felling Sanitary Manifest [NMP Manifest]. Evidence reviewed: - EPIC WebGis Portugal -Ecological Planning, Investigation and Cartography: https://epic-webgis-portugal.isa.ulisboa.pt - National Ecological Reserve/Reserva Ecológica Nacional: https://cnt.dgterritorio.gov.pt/ren-pagina - Forest regime: https://icnf.pt/florestas/regimeflorestal - Afforestation and reforestation actions: https://www.icnf.pt/florestas/arborizacoes - Tree protection: https://icnf.pt/florestas/protecaodearvoredo - Good Forest Practices: https://icnf.pt/florestas - Regional Forest Management Plans -PROF: https://icnf.pt/florestas/prof - Technical standards for Specific Forest Interventio -PEIF: https://www.icnf.pt/florestas/peif - Forest Management Plans -PGF: https://icnf.pt/florestas/pgf - Forest Intervention Zones -ZIF: https://icnf.pt/florestas/zif - Forest phytosanitary: https://icnf.pt/florestas/fitossanidade Legislation: - Basic Law of Forest Policy: D.L. nº 33/96, 17/08; last updated by D.L. nº 254/2009, 24/09. - Estratégia Nacional para as Florestas (ENF): Resolução do Conselho de Ministros nº 114/2006, 15/09, last updated by Resolução do Conselho de Ministros nº 6-B/2015, 04/02. - Conversion from natural Quercus suber and Quercus rotundifolia to other land uses: D.L. nº 169/2001, 25/05 Artº 2º; updated by DL155/2004, 30/06. - Conversion on Protected and Classified areas: D.L. nº 142/2008, 24/07 Artº 43º - Conversion from natural Ilex aquifolium: D.L. nº 423/89, 04/12 Artº 1º. **Risk designation:** Low risk: areas where forest management plan exists and/or FSC or PEFC certified areas. Specified risk: in areas where no forest management plan is available: no PROF, PGF ZIF, PUB, SNAC, as well as no FSC or PEFC certification. **Sourcing area for which compliance needs to be demonstrated:** Areas where the specified risk designation above applies, included in the sourcing area: mainland of Portugal. **Mitigation measures:** - Analysis of owner's information regarding the future area’s cover and use; - Procedures for conduct field Inspections; - Disqualify material coming from areas where natural forest was converted into

	Eucalyptus or other plantation from 2008, or to be converted with Eucalyptus or other plantation; - Suppliers qualification; - Confirmation of legal situation of the operation and sourcing area; - Procedures for conduct field Inspections to verify the aspects related with supplier, operation and sourcing area legal situation; - Disqualify material whose legal situation of harvesting cannot be confirmed. - Monitoring plan.
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, are protected unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	**Finding:** In Portugal the protected areas and Natura 2000 sites covers 2.017.803 ha, meaning 20,47% of the territory. Different conservation attributes are concentrated mainly in Classified Areas by SNAC (Classified Areas) and the IBA's (Important Bird Areas). However, there are threats to conservation attributes resulting from forestry operations in Classified Areas and IBA's which are not included in the National Network of Protected Areas/RNAP (2/3 of the total area is not included) and its safeguards are not proportional to the magnitude of these threats: - there aren't Site Management Plans or a consistent program of dissemination of good practices on forest areas classified Natura 2000 involving the referred agents; - the areas are not identified on the ground or in their access; - there is not a close inspection regime implemented properly and consistently throughout the national territory; - In the case of forest areas included in the RNAP, there is further consolidation in the field over time, which provides more proportionate safeguards to the level of existing threats: - there are information boards in many of the surrounding access to protected areas; - there is a history of proximity to the population and those involved in forest management because they were stabilised long time ago and over time have provided personalized services for each protected area, related to its own management and "command and control" services included nature/forest body guards or watchmen. - there are more details in the information published about the effects of disturbances such as fires on habitats. 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 meets 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 and is accounts for c. 236.000 hectares of certified forests of cork and holm oak species. Following several surveys on the fragilized 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 codes of good cork forest practices but also pest and disease identification guides. Also, 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 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. Priority habitats are protected by a legal framework, but their protection on the ground is not strong, except when they are located inside Protected areas. The threats caused by forest management activities on priority habitats are related to the destruction of the habitat itself by logging, applying in this case the habitats with timber species and also the impacts on understory habitats or surrounding areas. In the first case, where there are risks of logging of forest species which are themselves the priority habitats and are classified as for example 2270 dunes with Pinus pinea forests and / or Pinus pinaster, 91E0 alluvial forests with Alnus glutinosa and Fraxinus excelsior (Alno- Padion, Alnion incanae, Salicion albae), 2250 Coastal dunes with Juniperus spp. ,5230 Arborescent matorral with Laurus nobilis, 9560 Endemic Mediterranean forests with Juniperus spp., 9580 Mediterranean forests of Taxus baccata, among others. In the second group are found many understory habitats. As an example, the priority habitat 2270 is briefly characterized by sand dunes Mediterranean pine forests, occurs in a stripe within the sea 15Km and the Tagus and Sado and is dominated by: -Pinus pinaster that have not been subject, in the past 20 years, to operations in understory and may be mature plantings (> 80 years) or regeneration of pine forests (> 30 years). -Pinus pinea in dune systems in the south, with evolved matorral. Since both species are explored for timber (the stone pine is also explored for pine cone) and the maritime pine is one of the woody species most exploited in Portugal, this habitat is subject to threats of exploitation as cutting and thinning but also all understory operations. That’s why its conservation state is considered by ICNF as inadequate/unfavourable from 2008 to 2013. Information regarding wetlands in Portugal (for peatlands no forested areas related) states they are threatened ecosystems even when they are protected. Portugal 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 ha). 82% of habitats related to wetlands are degraded. EPIC WebGis Portugal provides geographical information about wetlands. In the revised information one risk is associated to forestry: cutting of riparian vegetation. **Means of verification:** - FSC or PEFC Forest management certificate public reports. - Forest Management plans as PGF, PUB, PEIF. - Regional Forest Plans -PROF. - EPIC WebGis Portugal.

	- Forest Best Management Practices. - Forest Operating Procedures. - Records of Enermontijo's field inspections. - Monitoring records. - Interviews. - Publicly available information on the protection of the values identified. - Regional, publicly available data from credible third parties. **Evidence reviewed:** - Convention on biological diversity: https://www.cbd.int/convention/ - EPIC WebGis Portugal -Ecological Planning, Investigation and Cartography: https://epic-webgis-portugal.isa.ulisboa.pt - APA -Agência Portuguesa de Ambiente (Environment Portuguese Agency: https://apambiente.pt/index.php - National Ecological Reserve/Reserva Ecológica Nacional: https://cnt.dgterritorio.gov.pt/ren-pagina - Rede Natura 2000: https://www.icnf.pt/conservacao/redenatura2000 - Important Bird Areas of Portugal: http://ibas-terrestres.spea.pt/pt/ - Good Forest Practices: https://icnf.pt/florestas Legislation: - National Ecological Reserve/Reserva Ecológica Nacional: D.L. nº 239/12, 02/11 - EIA – Environmental Impact Assessment: D.L. nº 151-B/2013, 31/10. - Fundamental Environment Law/Lei de Bases de Política do Ambiente: Law n.º 19/14, 14/04; D.L. nº49/05, 24/02 artº20º; D.L. nº 197/2005, 08/11. - Nature and Biodiversity Conservation: D.L. nº 142/2008, 24/07, last updated by D.L. nº 11/2023, 10/02. - Destruction of natural riparian vegetation: Law nº 58/2005, 29/12; Law nº 54/2005, 15/11 Artº 25º. **Risk designation:** Low risk: areas covered by RNAP, areas managed by ICNF; no wetlands or peatland areas. Specified risk: private and communitarian forest areas classified by the National System of Classified Areas (SNAC) and in the forest areas considered IBAs (Important Bird and Biodiversity Areas), not covered by the National Network of Protected Areas RNAP. Private, communitarian and public forest areas not managed by ICNF. In wetlands there is the risk of cutting riparian vegetation due to harvest operations. **Sourcing area for which compliance needs to be demonstrated:** Areas where the specified risk designation above applies, included in the sourcing area: mainland of Portugal. **Mitigation measures:** - Suppliers qualification; - Confirmation of legal situation of qualified suppliers; - Confirmation of legal situation of the operation and sourcing area; - Procedures for conduct field Inspections to verify the aspects related with supplier, operation and sourcing area legal situation; - Disqualify material whose legal situation of harvesting cannot be confirmed. - Ensure that feedstock does not come from riparian vegetation in wetlands. - Monitoring plan.
(iv) That harvesting is carried out considering the maintenance of soil quality and biodiversity with the aim of minimising negative impacts	

Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	**Finding:** SOIL QUALITY 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 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 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, 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 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, where used to create a 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 on the last decades. These implemented forest policies have not prevented the installation and exploitation of commercial timber forest stands including 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 -REN). However, as shown by above cited studies and data, reality at ground level does not reflect the application of these restrictions. 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 depend on tree 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's. BIODIVERSITY 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. From the 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 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 valuation 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.(...)'. 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: change or destruction of habitats; pollution; overexploitation; invasive alien species; urbanization and fires. **Means of verification:** - Enermontijo desk assessment and evaluation of the risks and possible impacts, including environmental, of harvesting operations. - Manifests (MCA and NMP); - Erosion, desertification programs and maps (REN); - Approved EIA (Environmental Impact Assessment), when applicable; - Approved Forest Management Plan, when applicable; - Records of oil and hazardous chemicals deliveries; - Records of Enermontijo's field inspections; - Monitoring records; - Regional Forest Plan; - Best Management Practices; - Level of enforcement; - Regional, publicly available data from a credible third party. **Evidence reviewed:** <u>Government sources:</u> - APA-Agência Portuguesa de Ambiente (Environment Portuguese Agency): https://apambiente.pt/index.php - PANCD - Programa de Ação Nacional de Combate à Desertificação: http://desertificacao.pt/ - National Ecological Reserve/Reserva Ecológica Nacional:

	https://cnt.dgterritorio.gov.pt/ren-pagina - Good Forest Practices: https://icnf.pt/florestas - EPIC WebGis Portugal -Ecological Planning, Investigation and Cartography: https://epic-webgis-portugal.isa.ulisboa.pt - Convention on biological diversity: https://www.cbd.int/convention/ Non-Government sources: - Quercus - Associação Nacional de Conservação da Natureza: https://www.quercus.pt/ - LPN-Liga para a Protecção da Natureza: https://www.lpn.pt - GEOTA - Grupo de Estudos de Ordenamento do Território e Ambiente: https://www.geota.pt/ - Greenpeace International at https://www.greenpeace.org/international/en/ - World Wildlife Fund -Portugal: https://www.natureza-portugal.org/ - Madeira, M. (2015) Thirty years of research on soil quality in forest systems under Mediterranean conditions. Trends and future. Legislation: - National Ecological Reserve/Reserva Ecológica Nacional: D.L. nº 239/12, 02/11 artº20ºnº1 e) - EIA – Environmental Impact Assessment: D.L. nº 151-B/2013 de 31/10 artº 1º nº3 b) Anexo II. - Fundamental Environment Law/Lei de Bases de Política do Ambiente: Law n.º 19/14, 14/04; D.L. nº49/05, 24/02 artº20º; D.L. nº 197/2005, 08/11 artº 1º, nº3 b) and nº4. - Nature and Biodiversity Conservation: D.L. nº 142/2008, 24/07, last updated by D.L. nº 11/2023, 10/02. - Forest fire areas: D.L. nº55/2007, 12/03 artº1º; Law n.º 54/91, 08/08; D.L. nº34/99, 05/02 artº1º; Ministry Council Resolution nº 5/2006, 18/01; D.L.nº 82/2021, 13/10. - Pinus Nematode: D.L. nº 9/2021, 29/01; Retificação n.º 38/2015, 01/09, D.L. nº 123/2015, 03/07; D.L. nº 95/2011, 08/08. **Risk designation:** - Low risk on very small size forest properties as small scale also reduces the threats and risks involved with soil operations, areas with forest management plans in place and areas with no classified habitats identified. - Specified risk on soil quality of sourcing biomass feedstock on forest lands located on desertification susceptible area according to Forest Services (ICNF) cartography, without Forest Management Plan, and with identified classified habitats. **Sourcing area for which compliance needs to be demonstrated:** Areas where the specified risk designation above applies, included in the sourcing area: mainland of Portugal. **Mitigation measures:** - Analysis of sourcing area information regarding environmental aspects; - Consultation of maps and other sources of information regarding soil, biodiversity and classified areas for nature protection, Red lists for Portugal, identifying and addressing potential threats, HCV 1 – Species diversity). This information is given to all feedstock suppliers; - Endangered flora and fauna are indicated on the harvesting maps. - Feedstock suppliers are trained to recognise the protected biodiversity and how to conserve them. - Procedures for conduct field Inspections;

	- Disqualify material coming from areas where negative impacts on soil quality and biodiversity have occurred; - Promotion of Good Forest Practices, 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).; - Monitoring plan.
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	**Finding:** Statistical information on National Forest Inventory is fully available from IFN6 (2015). IFN6 (2015) for main species used in pellets production show that: Forest areas (forest, bush and unproductive land) occupy 6.2 million hectares (69.4%) of the national territory. The forest, which includes wooded and temporarily deforested land (cut, burned and regenerating surfaces), is the main use of national soil (36%). The downward trend in the forest area, which has been observed since 1995, was reversed in 2015, with the inventory registering an increase of 60 thousand ha (1.9%) compared to 2010 (date of the last assessment). • Eucalyptus plantations are larger Portuguese forests. Eucalyptus trees occupy 845 000 ha, about 26% of the continental forest and have shown a systematic increase over the past 50 years. • Pinus pinaster forests are the second forest formation, with an area close to 1 million hectares, with forest ecosystems having the greatest reduction in the occupied area. The decrease in area is due that maritime pine forests are very affected by fires and pests (the nematode being the most significant), which surpasses the significant increase in the pine tree pine area (20.7 thousand ha; 12% between IFN5 and IFN6). However, in the period between 2010 and 2015, the maritime pine area experienced a very significant slowdown compared to the sharp downward trend seen since 1995 (IFN4), which reveals the extraordinary resilience of these pine forests to disturbances. For Eucalyptus the average annual growth is 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 a 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. For Pinus pinaster the average annual growth is 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). The maintenance of wood volumes between the last two inventories reveal that in this period forest production, in global terms, can be considered as sustainable since the cut of wood and losses due to fires or pests were in balance with the growth of Forest. However, this analysis carried out for the main species used for wood pellets production reveal a different situation: the volume of growing wood (i.e. living trees) of maritime pine presents a decrease of 15 Mm3 when compared

	to the previous IFN data, with 67 Mm3 in 2015. The volume of eucalyptus growing wood remains constant since IFN5, 43 Mm3, despite the increase in the area of around 59 thousand ha. On this analysis is also relevant to take into account that: - Pinus Wilt Disease/Nemátodo-da-madeira-do-pinheiro has significantly affected Pinus pinaster. - Fires continue to be a relevant problem in Portugal. - Data from Centro Pinus states that pine wood consumption for the timber industry in 2022 was 3,98 Mm3, less 3,6% face to the previous year, of which 0,8 Mm3 were used for pellets, representing 20% of total. 27% of pine wood used by CentroPinus associated companies was imported in 2021. Percentage of imported pine wood used in 2006 was 3%. Therefore, lack of pine wood from Portugal is being covered with imports, mainly from Spain. - Data from Biond (former CELPA) states that in 2021 the wood consumption by the pulp industry increased 3,3% face to 2020, arising from an increase of 3,8% of eucalyptus wood and from a decrease of 3,0% of maritime-pine. Eucalyptus consumption of pulp and paper industry in 2021 was 8.068 Mm3, in 2018 7.902 Mm3, in 2015 7.579 Mm3, in 2012 7.046 Mm3. Maritime pine consumption of pulp and paper industry in 2021 was 611 Mm3, in 2018 632 Mm3, in 2015 665 Mm3, in 2012 664 Mm3. From the overall wood consumption of the pulp and paper industry in 2021, 33% was imported. **Means of verification:** - Desk evaluation to sourcing areas: volume and growth data, yield calculations and operational practice indicate that biomass feedstock harvesting rates avoid significant negative impacts on forest productivity and long-term economic viability. - Enermontijo inspections to feedstock suppliers and to the harvesting operations, seeking among other aspects, the use of the best forestry practices. - Existing legislation. - Level of enforcement. **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; - IFN6 - Inventário Florestal Nacional 6 -Relatório final: ICNF portal https://icnf.pt/florestas/flestudosdocumentosestatisticasindicadores - Apresentação do Relatório Final do IFN5 - Inventário Florestal Nacional 5: ICNF portal https://icnf.pt/florestas/flestudosdocumentosestatisticasindicadores - Forest planning, management and intervention plans legislation: Decree-Law nº 11/2019, 21/01, last version of Decree-Law nº 16/2009, 14/01; - Normas Técnicas de Elaboração dos Planos de Gestão Florestal: ICNF portal https://icnf.pt/florestas/pgf/pgfnormativo - Boletim Estatístico 2021 - Biond Forest fibers from Portugal: https://www.biond.pt/publicacoes/ - A Fileira do Pinho em 2022 - Indicadores da fileira do pinho: https://www.centropinus.org/editions/category/pinuspress **Risk designation:** - Low risk for areas where forest maintenance of production can be ensured. - Specified risk for all the other areas of the sourcing area where forest maintenance of production is not ensured.

	Sourcing area for which compliance needs to be demonstrated: Areas where forest maintenance of production is not ensured, included in the sourcing area: mainland of Portugal. **Mitigation measures:** - Feedstock suppliers are trained on Best Forestry Operations and Health and Safety at work. The owner of harvesting company demands from its workers to have specific training to work on forest. - Use of best forestry practises. - Monitoring plan. - Analysis of sourcing area information regarding production capacity. - Consultation of sources of information regarding production capacity. - Procedures for conduct field Inspections. - Disqualify material coming from areas where forest maintenance of production is not ensured.
LULUCF criteria 29(7)	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-endorsed REDII Level A risk assessment for Article 29(7) LULUCF
Level B management system at the level of the forest sourcing area	N/A

Section 2. RED II detailed findings for secondary and tertiary feedstock

10.1 Verification and monitoring of suppliers

N/A

10.2 Feedstock inspection and classification upon receipt

N/A

10.3 Supplier audit for secondary and tertiary feedstock

N/A