Compliance with the SBP Framework: Public Summary Report

SCS Global Services
Evaluation of Connexion Export Ltda

Fourth Surveillance Audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 2.1 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

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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Table of contents

1 Overview **3**

2 Audit conclusions **4**

2.1 Certification decision 4
2.2 Open non-conformities and observations 4
2.2 Closed non-conformities 8
2.3 Actions taken by Organisation Prior to Report Finalisation 14
2.4 Notes for the next Audit 14

3 Scope of the audit and SBP certificate **15**

3.1 Description of the company 16
3.2 Site details 16
3.3 Detailed description of the Chain of Custody system and Product Groups 16

4 Specific objective of the audit **17**

5 Evaluation process **18**

5.1 Timing and duration of evaluation activities 18
5.2 Auditor team qualification 18
5.3 Description of evaluation activities 18
5.4 List of forest management units and feedstock suppliers visited 18
5.5 Describe audit sampling methodology used 19
5.6 CB stakeholder engagement 19
5.7 Stakeholder feedback and response 19
5.8 Main strengths and weaknesses of the management system and operations 20
5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation 20
5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED 20
5.11 Summary of evaluation activities for chain of custody system per Standard 4 20
5.12 Summary of evaluation activities for collection and communication of data per Standard 5 20
5.13 Summary of audit findings for competency of involved personnel 20
5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable) 20

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable) **21**

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope 21
6.2 CB evaluation of specified risk indicators and mitigation measures 21

1 Overview

Certification Body (CB) Name:	SCS Global Services
Primary CB contact for SBP:	Maggie Schwartz
Primary CB contact email:	mschwartz@scsglobalservices.com
Audit team leader:	Francielle Santos Vieira
Audit team members:	Francielle Santos Vieira
Name of the Company:	Connexion Export Ltda
Company legal address:	Rua Otávio Rocha, nº 22, sala 609, Bairro Centro Histórico, RS 90020-150 Porto Alegre, Brazil
Company contact for SBP:	Juliana Ferrari
Company contact email:	juliana@rdk.eco.br
Company website:	
Date of installation:	
SBP Certificate Code:	SBP-04-77
Date of certificate issue:	20 Jan 2023
Date of certificate expiry:	19 Jan 2028
Audit closing meeting date:	28 May 2026
Audit cycle:	Fourth Surveillance Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Jose del Castillo
Date of decision:	24 Sep 2026
Other comments:	N/A

2.2 Open non-conformities and observations

NC number 6097	NC Grading: Major
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.11 The Organisation shall ensure that: a. internal audits are conducted by personnel knowledgeable of the requirements of the Standard(s); b. internal auditors do not audit their own work; c. internal audit documentation includes at minimum the scope of the internal audit; names of the internal auditor(s), date, conclusion of the evaluation of the Organisation's conformance with SBP requirements, and any corrective actions and associated deadlines; and d. any non-conformances found during internal audits are recorded as corrective actions, and actions are taken in a timely and appropriate manner. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Per review of the internal audit report, only the person involved in maintaining the SBP certificate was involved. This means that in cases of review of the SBR, SBE, and other responsibilities that she audited her own work. In most cases, she evaluated other people's work. Major 1.11 (2026): The new internal audit has not yet been carried out. Therefore, the non-conformity has been upgraded to the major.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open
Original Due Date:	N/A
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

NC number 9105	NC Grading: Minor
Standard:	SBP Standard 2: Feedstock Verification v2.0
Requirement:	3.5 The Organisation shall establish sub-scopes where the risks of non-compliance with Standard 1 are not homogeneous within the Supply Base. The sub-scopes shall be defined as geographical areas or otherwise clearly delineated separate sources of feedstock within the Supply Base, where the risks are uniform. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The company receives material from both controlled and certified sources and has established SBVs in accordance with Standard 1. However, the SBVs assessment is not structured by sub-scope, despite differences in the evidence and assessment approaches applicable to each source category. During the audit, it was verified for example, that indicators 2.2.1, 2.2.5, 2.2.6, and 2.2.7 rely on different evidence depending on the source type; however, these distinctions are not reflected through clearly defined sub-scopes within the SBV assessment.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open
Original Due Date:	2027-09-24
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

NC number 9106	NC Grading: Observation
Standard:	SBP Standard 2: Feedstock Verification v2.0
Requirement:	4.2 The Organisation shall update its SBR at least annually. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
It was observed that the FSC Controlled Wood Risk Assessment for Brazil has been revised and is currently within the applicable six-month transition period. Changes introduced by the revised risk assessment may affect the company's SBE, including the risk designations, applicable control measures, and supporting evidence required for sourcing areas included within the scope of the assessment.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A

NC Status:	Open
Original Due Date:	N/A
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

NC number 9107	**NC Grading: Minor**
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.5 The Organisation shall maintain documented procedures (i.e., work instructions or equivalent documentation), covering all relevant requirements within the scope of the certificate and reflecting current Organisational activities. Documented procedures shall include at a minimum: – training, – internal audits, – record-keeping, – stakeholder engagement, including management of comments and complaints, – handling non-conforming products and non-appropriate documentation, – material receipt: input/purchasing, – material accounting, – sales transactions: output/sales, – claims, – business integrity, social, and health and safety requirements, – subcontracting activities/subcontractors (where applicable), and – collection and communication of data for energy and carbon balance calculations. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
It was observed that the operational procedure still refers to the EU RED Mass Balance System (Section 7.8.1), whereas the company has adopted a physical segregation system. In addition, the procedure does not describe the information and assumptions used to determine the shiploaders electricity consumption. For example, during the audit, it was verified that the company calculated a consumption value of 89 kWh based on a loading study. The methodology and underlying assumptions for this calculation are not documented in the procedure.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open
Original Due Date:	2027-09-24
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

NC number 9108	**NC Grading: Observation**
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.8 The Organisation shall provide appropriate training for personnel carrying out tasks

	critical to the effective implementation of applicable requirements. Training shall be specific and relevant to the task(s) performed. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The domain analysis and attendance records were reviewed during the audit. It was noted that the attendance records did not include all individuals involved in providing information for the SAR.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open
Original Due Date:	N/A
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

NC number 9109	**NC Grading: Minor**
Standard:	Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Requirement:	1.5 Assessment of compliance with RED Article 29 (6) N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The company maintains maps and records to monitor harvested areas following harvesting operations. However, it was not demonstrated how the company ensures that landowners supplying FSC Controlled Wood are aware of, or committed to, maintaining a regeneration period of at least five years after harvesting. Evidence documenting such commitment or acknowledgement by the landowners was not available during the audit.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open
Original Due Date:	2027-09-24
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

2.2 Closed non-conformities

NC number 6096	NC Grading: Major
Standard:	SBP Standard 2: Feedstock Verification v2.0
Requirement:	8.4 The Organisation shall allow stakeholders at least one month to provide feedback before the SBE is finalised. N/A N/A
Description of Non-conformance and Related Evidence:	
The organization provided stakeholders with access to the SBE on 6 August 2025. While it has received three comments to date, it has not allowed stakeholders the full 30 days to provide feedback prior to finalization of the SBE.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	The organization reopened and extended the stakeholder consultation process to fully meet the minimum 30-day requirement. On October 15, 2025, a formal communication was sent to all identified stakeholders, acknowledging the consultation process, consolidating the contributions received, and explicitly stating that the SBE would undergo further review before its final certification. Additionally, the SBE was again made available for public consultation through a specific form, ensuring stakeholders sufficient time to submit new comments before the document is finalized. To prevent recurrence of non-compliance, the organization implemented the following measures: Formalization of an internal procedure requiring a documented minimum consultation period of one month for all SBE updates before final approval (Procedure and Engagement Plan (Rev. 00) – item 6, page 4).
Findings for Evaluation of Evidence:	The consultation was reopened for a period of 30 days. As evidence, the organization presented the return email on the subject, dated October 15, 2025, which includes, among other information, feedback on the contributions. Finally, in order to avoid recurrence, the procedure was revised (i.e., (Procedure and Engagement Plan (Rev. 00) – item 6, page 4).
NC Status:	Closed
Original Due Date:	N/A
Closing Date:	2026-09-24
Upgrade Date:	N/A
Update Date:	N/A

NC number 6098	NC Grading: Observation
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.20 Where non-conforming products and/or associated claims are detected after they have been delivered, the Organisation shall undertake the following activities: a. notify its CB and all affected direct customers in writing within five (5) business days of the non-conforming product claim and maintain records of that notice; b. analysis of causes of the occurrence of non-conforming products claims, and implement measures to prevent their re-occurrence; and c. cooperate with its CB in

	order to allow them to confirm that appropriate actions were taken to correct the non-conformance. N/A N/A
Description of Non-conformance and Related Evidence:	
Th organization has not detected or been notified of any Non-Conforming Products (NCPs). However, if it implemented its Complaints and NCP procedure as is, it could allow for up to 10 days to “notify its CB and all affected direct customers in writing within five (5) business days of the non-conforming product claim and maintain records of that notice”. If such a situation occurred the organization could be in nonconformance to this requirement.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Closed
Original Due Date:	N/A
Closing Date:	2026-09-24
Upgrade Date:	N/A
Update Date:	N/A

NC number 6099	**NC Grading: Observation**
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	4.10 For Organisations opting to use a mass balance system for material accounting, the Organisation shall set up and maintain a mass balance account to which additions and deductions of eligible input for a single physical site shall be recorded. Note 1: A mass balance system allows consignments of feedstock or biomass with differing sustainability and greenhouse gas emissions savings characteristics to be mixed for instance in a container, processing or logistical facility, transmission and distribution infrastructure or site. Note 2: Site is a single functional unit of an Organisation situated at one physical location, which is geographically distinct from other units of the same Organisation. An Organisation’s units with distinct physical locations may, however, be regarded as part of a site if they are an extension of it with no purchasing, processing, or sales functions of their own (e.g., a remote stockholding). A site can never include more than one legal entity. Subcontractors that are used within the terms of outsourcing agreements (e.g., outsourced warehouse) are not considered sites. Typical examples for sites are processing or trading facilities such as manufacturing sites, sales offices, or company-owned warehouse. N/A N/A
Description of Non-conformance and Related Evidence:	
The organization’s Mass Balance account still contains items related to REDII that are no longer applicable. For example, all SBP claims must carry EU RED claims now, so tracking when a REDII claim is made or not is no longer required.	

Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Closed
Original Due Date:	N/A
Closing Date:	2026-09-24
Upgrade Date:	N/A
Update Date:	N/A

NC number 6100	**NC Grading: Minor**
Standard:	SBP Standard 5: Collection and Communication of Data v2.0
Requirement:	1.1 All data submissions shall be supported by appropriate evidence. N/A N/A
Description of Non-conformance and Related Evidence:	
A difference in the opening stock recorded in supporting Excel files and that reported in the SAR was detected. The organization does not intend to sell the remaining stock as SBP-certified (i.e., opening stock will be zero). However, an explanation was not provided in the SAR.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	The company provided a justification in the new SAR, in 2.3 the company comments that: "When completing the SAR report for the previous period, the opening inventory was reported as zero, as Connexion Export's original intention was not to use the remaining volume for the SBP program. The volume was intended for sale to the pulp industry, but was ultimately disqualified for failing to meet the quality standards required by that specific market. Given the disqualification of the logs for pulp production, the company redirected the volume to the chipping process. This involved a stock of 470.11 tons of logs, with a receipt recorded in 2024, originating from the Capão do Leão Farm, a property with FSC forest management certification. This action is in line with Connexion Export's standard operating procedure, which consists of acquiring and diverting logs unsuitable for other uses to the production of wood chips for biomass export."
Findings for Evaluation of Evidence:	SAR 01/08/2025 - 30/04/2026.
NC Status:	Closed
Original Due Date:	N/A
Closing Date:	2026-09-24
Upgrade Date:	N/A
Update Date:	N/A

NC number 6101	NC Grading: Major
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
Requirement:	1.5.3 When a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use per metric tonne of biomass produced greater than 25%, the BP must inform its CB. In that case, a new audit shall be required as soon as stable operations have been reached during three (3) consecutive months after the change has occurred. Examples: variation may result from a change of production process, a plant refurbishment after an incident, a major change in feedstock used (e.g. use of logs instead of saw mill residues), change of fuel for drying (e.g. fossil fuel instead of biomass) etc. N/A N/A
Description of Non-conformance and Related Evidence:	
When a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use per metric tonne of biomass produced greater than 25%, the BP must inform its CB. In that case, a new audit shall be required as soon as stable operations have been reached during three (3) consecutive months after the change has occurred. The organization is upgrading its chipping facilities, which will include electricity use. This will lead to a 25% change in electricity use/metric ton of chips produced. The organization must complete a new SAR within three (3) months of achieving stable operations after completing construction. The electricity use calculations must consider ID 5E 1.5.7 and 3.6.1-3.6.4. Major ID 5E, 1.5.3 (2026): The organization scheduled this audit as soon as production stabilized for three consecutive months; for this reason, the last audit occurred in August 2025 and the present audit in May 2026. However, the ancillary facilities described in 3.6.2 are not included, although their values are insignificant compared to the total amount.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Following consultation with the SBP, the company was permitted to exclude the electricity consumption of ancillary/support facilities from its energy inventory. The justification for this approach is provided by the company in Section 4.4 of the SAR: "The support facilities used during operations are shared with other companies and activities carried out within the concession area; there is no separate measurement of electricity consumption dedicated exclusively to administrative and support activities related to biomass production. Consumption associated with offices, cafeterias, restrooms, common areas, and other support facilities relates exclusively to comfort, well-being, and administrative activities, and does not directly contribute to the storage, processing, handling, or quality maintenance of biomass. Furthermore, these facilities are also used by personnel and operations not related to biomass production or logistics. In accordance with the guidance issued by the SBP, this consumption may be considered ancillary and, therefore, is not included in the calculation of the facility's net electricity consumption, since: - it is not directly associated with the production process or with biomass storage, processing, or handling operations; - it is ancillary in nature, and its energy consumption is relatively insignificant compared to the main operations; - there is no separate metering that would allow for a reliable quantification of this consumption; and - any estimate based on proportional allocation would introduce a high degree of uncertainty, thereby reducing the reliability of the reported data. Currently, the only electrical equipment used in operations directly associated with the handling and shipment of biomass is the shiploader. The energy consumption of this equipment is monitored, accounted for, and fully reported in the facility's energy inventory, as it represents energy use directly related to the biomass operational process, as required by the SBP. Accordingly, the energy inventory includes only the consumption directly associated with operations that influence the production and handling of biomass. Electricity consumption related exclusively to administrative support activities and shared-use facilities remains excluded, as

	justified above, because it is not directly linked to the biomass operational process and is consistent with the formal interpretation issued by the SBP."
Findings for Evaluation of Evidence:	SAR section 4.4
NC Status:	Closed
Original Due Date:	N/A
Closing Date:	2026-09-24
Upgrade Date:	N/A
Update Date:	N/A

NC number 6102	**NC Grading: Minor**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
Requirement:	1.5.7 Any missing data and any estimates shall be explicitly reported in the SAR. N/A N/A
Description of Non-conformance and Related Evidence:	
Any missing data and any estimates shall be explicitly reported in the SAR. The organization could not replicate method used to obtain the feedstock Moisture Content. Upon further discussion, it was found that this is a constant value based on past laboratory tests, density calculations (ton/m3), and customer specifications for Moisture Content. The weighted average vehicle load of feedstock is based on a constant value rather than a calculation. An explanation and rationale for these constants was not provided in the SAR Table 2.3.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	The company provided an explanation in section 2.3. of the SAR methodology for humidity; the distance is calculated based on the weighted average as per the spreadsheets presented.
Findings for Evaluation of Evidence:	SAR 01/08/2025 - 30/04/2026.
NC Status:	Closed
Original Due Date:	N/A
Closing Date:	2026-09-24
Upgrade Date:	N/A
Update Date:	N/A

NC number 6103	**NC Grading: Minor**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
Requirement:	3.2.3 Each Feedstock Group has the same characteristics defined by the following parameters, which are recorded in the SAR: a) Feedstock Group ID b) Product Group ID c) Origin d) Feedstock Type e) Physical Description f) Country of harvest (new row for each country) g) Country of production (for processing residues and post-consumer feedstocks) h) Raw mass as received on wet basis1 in metric

	tonnes i) Percentage of SBP-compliant feedstock j) Moisture as received on wet basis (weighted average, single figure)2 k) Weighted average distance (km), l) Maximum distance (km) m) Type of vehicle used n) Fuel or driving force used by the vehicle, o) Weighted average truckload, p) Any pre-processing occurring outside the BP plant (chipping, drying, none) N/A N/A
Description of Non-conformance and Related Evidence:	
The weighted average distance reported could not be replicated. - the weighted average reported 153,9 could not be replicated. The BP calculated it again during the audit with the data presented, which resulted in 154.14 km.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	The company presented the spreadsheet that calculates the weighted average "calculo_media_ponderada_estoque"
Findings for Evaluation of Evidence:	SAR 01/08/2025 - 30/04/2026.
NC Status:	Closed
Original Due Date:	N/A
Closing Date:	2026-09-24
Upgrade Date:	N/A
Update Date:	N/A

NC number 6104	**NC Grading: Minor**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
Requirement:	3.7 Use of primary energy from fossil fuels or biomass N/A N/A
Description of Non-conformance and Related Evidence:	
There is a difference of ~20,000 liters between the diesel consumption reported by the production team and the diesel consumption calculated by the finance team in spreadsheets.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	There is a spreadsheet for controlling the supply by machine and equipment "relatorio_combustivel_eucalipto_auditoria".
Findings for Evaluation of Evidence:	SAR 01/08/2025 - 30/04/2026.
NC Status:	Closed
Original Due Date:	N/A
Closing Date:	2026-09-24
Upgrade Date:	N/A
Update Date:	N/A

2.3 Actions taken by Organisation Prior to Report Finalisation

N/A.

2.4 Notes for the next Audit

The company started using physical separation, since all received material is eligible for SBP compliant.

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Biomass Producer
Secondary activity	Trader
Approved Standards	SBP Standard 1: Feedstock Compliance v2.0; SBP Standard 2: Feedstock Verification v2.0; SBP Standard 4: Chain of Custody v2.0; SBP Standard 5: Collection and Communication of Data v2.0; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Product Group IDs	☒ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☐ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☐ SBP Controlled
Includes Supply Base Evaluation (SBE)	Yes
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	Yes
Products	WB 2.1 Wood chips
Feedstock origin (countries):	Brazil
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable
Chain of custody system	☒ Physical separation ☐ Mass balance
Outsourcing	Yes
Changes in the scope	The organization has switched to SBP V2.0 with this audit, adding SBP ST 1 and EU RED requirement.

3.1 Description of the company

Guidance: Please describe the type, structure and operations of the company including its role in the supply chain, its inputs and outputs as they related to SBP Standards.

Connexion Export is a timber exporter located in Brazil that focuses on eucalyptus and pine logs and wood chips. The organization purchases standing timber or logs and then commercializes these per its customer's specifications. In the case of biomass, the company acquires logs unsuitable for other uses and produces chips for export. The primary inputs are purchased entirely from certified or controlled forest management units. Supply areas belong to other companies or small producers, who manage them on a long-term basis.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
Connexion Export Ltda	Rua Otávio Rocha, nº 22, sala 609, Bairro Centro Histórico, Porto Alegre, RS 90020-150, Brazil	Document review and interviews	☒
Estaleiro Rio Grande (ERG)	Av. Maximiano da Fonseca, 4361 /Zona Industrial, Porto Alegre, 90020-150, Brazil	Production site inspection and interviews	☒

3.3 Detailed description of the Chain of Custody system and Product Groups

Guidance: Please describe the operation of the CoC system including details of the mass balance management and a list of established Product Groups.

The organization uses its FSC COC control system to procure, receive, process, and store materials. Inputs include logs from known forest management units identified in contracts and load tickets per national forestry laws. Logs are stored at the organization's chipping facility prior to processing into chips. Chips are loaded onto ships via a conveyor system. The organization only sells energy woodchips (1A) using SBE/EU RED claims.

4 Specific objective of the audit

The objectives of the audit were to assess the organization's control systems for ensuring conformance to SBP V2.0 requirements for ST 1, ST 2, ST 4, ST 5/ ID5E, and EU RED.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	Francielle Santos Vieira	8.0
2. On-site (excl. travel time)	Francielle Santos Vieira	32.0
3. Report writing	Francielle Santos Vieira	16.0
4. Other	Francielle Santos Vieira	4.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Francielle Santos Vieira	Lead auditor	Forest Engineer, graduated from the State University of Santa Catarina (UDESC), in 2016. Holds a Master's degree in Forest Engineering from the same institution, completed in 2019, with a concentration in Ecology of Forest Species. Completed a postgraduate program in People Management: Careers, Leadership, and Coaching at PUCRS in 2022. Certified as a Lead Auditor for ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 since 2019. Has professional experience as a consultant in forest management certification for small producers as well as medium and large-scale enterprises. Participated in the FSC, PEFC and SBP Training Program, conducted by SCS/SysFlor.

5.3 Description of evaluation activities

The activities were carried out in accordance with the provisions of the audit plan previously submitted to the company. These included a visual inspection of the industrial facilities, inspection of the UMF, documentary verification of the data provided in the SBR, SAR, and SBE, verification of workers, assessment of transactions in RADIX, use of the logo, among other procedures.

5.4 List of forest management units and feedstock suppliers visited

☐ N/A – No forest sites or suppliers visited during this evaluation

Site name
Luchese

Site location
Encruzilhada do Sul, Rio Grande do Sul, Brazil
Site description
FSC-controlled wood
Rationale and focus of visit
Random selection, controlled supplier
Description of audit activity
Review of map and inspection of harvest area. Inspection of harvest boundaries and conservation areas. There were no workers available for interviews, as the forest harvest had already finished at the time of the inspection.

Site name
Maria Santa
Site location
Encruzilhada do Sul, Rio Grande do Sul, Brazil
Site description
FSC-controlled wood
Rationale and focus of visit
Random selection, controlled supplier
Description of audit activity
Review of map and inspection of harvest area. Inspection of harvest boundaries and conservation areas. There were no workers available for interviews, as the forest harvest had already finished at the time of the inspection.

5.5 Describe audit sampling methodology used

Supplier sampling is determined using SBP sampling formulas described or cited in SBP Standard 3. Audit teams ensure to sample across the variety of forest ecosystems and/or feedstocks from which the organization sources, including by selecting different land ownership/management (e.g., small, public, private, etc.), harvesting types (thinning, final harvest), and feedstock type (primary, secondary, tertiary, hardwood, softwood, etc.). The minimum supplier sample calculated for primary suppliers was two. There are no other supplier types.

5.6 CB stakeholder engagement

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

Guidance: Please specify the number and types of stakeholders engaged, method of engagement and its outcomes.

5.7 Stakeholder feedback and response

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

5.8 Main strengths and weaknesses of the management system and operations

Strengths: The organization has a commercial team that seeks the highest and best use for each log, ensuring that biomass logs are of lower qualities and/or of sizes that local industry is currently unable to accept. Volume tracking systems are strong; all supplier documentation reviewed was directly tied to the FMU of origin and the amount of chips produced is tracked daily to prepare for ship arrivals.
Weaknesses: Refer to any nonconformities issued.

5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation

☐ N/A – Standard 1 not in the scope of the evaluation

The audit team reviewed the SBE for the auditability of the SBVs and how the evidence taken from SBVs was described in the Risk Rating justification. The audit team also conducted a field inspection of an FMU that supplied the organization during the reporting period, and reviewed related labor documents (e.g., time sheets).

5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED

☒ N/A – processing residues and/or post-consumer feedstock not used.

5.11 Summary of evaluation activities for chain of custody system per Standard 4

The audit team reviewed contracts, load tickets, and volume summary reports. All material is traceable to the FMU of origin and to the buyer of the biomass product via documentation reviewed.

5.12 Summary of evaluation activities for collection and communication of data per Standard 5

The audit team reviewed data collection files, calculations, and a sample of utility records. The audit team also inspected the production facility to verify GHG control points (e.g., meters).

5.13 Summary of audit findings for competency of involved personnel

The organization's team is well-qualified to implement SBP-related requirements as they have been for several years. Interviews with staff and review of training records confirm competency. The organization is capable of addressing the nonconformance.

5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)

☒ N/A – Standard 6 not in the scope

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)

☐ N/A – Supply Base Evaluation not in the scope of the evaluation

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope

The organization has prepared an SBE per SBP and EU RED requirements. The SBE relies mainly on the legal framework and SBP's benchmarking for FSC and PEFC since currently most material is sourced from FSC- and/or PEFC-certified FMUs. Refer to NCs issued related to the SBE.

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Brazil
Area/Sub-Scope
Rio Grande do Sul
Indicator
2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.
Specified risk description
The term "specified risk" refers to the harvesting of forests and their impacts on biodiversity and protected habitats. Although the country has a comprehensive legal framework—including the Forest Code, the National Environmental Policy, the National System of Conservation Units (SNUC), the Wildlife Protection Law, the Atlantic Forest Law, and specific regulations regulating sustainable forest management—the effectiveness of this legislation is limited by limited enforcement capacity, the occurrence of fraudulent management plans, systematic illegal deforestation, and the irregular exploitation of sensitive species and areas. Identified threats include damage to conservation units, overlapping forestry operations with archaeological heritage sites, exploitation of prohibited species, extraction above authorized limits, degradation of Permanent Preservation Areas (APPs) and Legal Reserves (RLs), as well as negative impacts on fragile ecosystems and endangered species. Poor oversight and the persistence of illegal activities reinforce the conclusion that the risk cannot be considered low. Therefore, timber harvesting in Brazil poses a high risk of generating adverse impacts on biodiversity and high conservation value habitats, justifying the requirement for rigorous control measures, such as geospatial cross-referencing with sensitive areas, proof of legal compliance (PMFS, POA, authorizations), field inspections, and the adoption of good management practices.
Detailed description of a mitigation measure
☐ Use of official databases, satellite imagery, and environmental licenses, including conditions or restrictions that ensure there is no conflict with relevant nature protection objectives. ☐ Relevant compliance audits and inspections. ☐ Management limited to commercial plots, where native species are not targeted for logging. ☐ Mapping of overlapping restricted and prohibited areas, updated annually based on geographic information and available bibliography. ☐ GIS/shape maps of management areas overlaid with official databases (CNUC, IBAMA, MMA, Global Forest Watch).

 Geoprocessing reports demonstrating the absence of overlap or, in the event of overlap, proof of approval/conditions from the environmental agency.
 Public consultation of registries of embargoed areas (IBAMA and state agencies). APP and RL maps overlaid with CAR.
 Field reports on water body and riverbank conservation.
 Record of road and soil conservation practices.
 Official MMA lists (endangered flora, fauna, and fish).
 Forest inventory approved by the PMFS.
 Reports on harvested vs. authorized volumes.

Detailed description of CB evaluation of mitigation measure and its conclusions

The company provides overlay maps, land tenure documentation, conducts field audits, carries out public consultations, and reviews forest management plans, where applicable. Therefore, the implemented measures have been deemed sufficient.

Country

Brazil

Area/Sub-Scope

Rio Grande do Sul

Indicator

1.1.2 Legal ownership of land and resource use rights shall be respected.

Specified risk description

Despite the comprehensiveness of the legislation, its practical application faces significant challenges. Enforcement is insufficient, and land disputes, both judicial and extrajudicial, are recurrent, often aggravated by overlapping property registrations. Studies such as INCRA's White Paper on Land Grabbing (2014), the annual reports "Conflicts in the Field" by the Pastoral Land Commission (CPT), and Greenpeace's "Bloodstained Wood" report demonstrate that land rights violations remain a structural problem in the country, especially in the Legal Amazon, where land grabbing and illegal logging are often associated with agrarian conflicts. The situation is exacerbated by the high perception of corruption in Brazil, highlighted by international indices from Transparency International and the World Bank, which highlight the fragility of command and control systems. This context increases the risk of forest management operations carried out without licenses or with illicitly obtained authorizations, which particularly compromises the integrity of native forests. Given these weaknesses, international standards such as those established by the Forest Stewardship Council (FSC) become even more relevant. They require companies to maintain clarity regarding land tenure rights, respect the legal and customary rights of local communities and indigenous peoples, and adopt active engagement mechanisms that prevent conflicts and ensure fairer and more transparent territorial governance. Thus, respect for legal ownership and rights to use natural resources depends not only on compliance with national legislation but also on the incorporation of international practices that reinforce legitimacy and socio-environmental responsibility.

Detailed description of a mitigation measure

 The management contract or other agreements with the landowner must clearly indicate management rights.
 Rural Environmental Registry (CAR);
 Rural Property Registration Certificate (CCIR);

 Rural Property Debt Clearance Certificate (CNDIR);
 Environmental License, if applicable;
 Consult relevant reports, such as those from the Pastoral Land Commission (CPT) and others, to verify that controlled timber supply areas are not experiencing land disputes.
 Consult interested and/or affected parties to verify the absence of conflicts.
 Consult specialized maps/documents to identify potential sources of conflict, depending on the size of the project, such as the location of local communities, indigenous peoples, conservation units, traditional communities, etc.
 Proof of registration and registration status with the CPF/CNPJ (National Registry of Legal Entities).
 Copy of the Real Estate Registry registration or legal document proving ownership;
 Lease, forestry partnership, or loan-for-use agreements, with proof of ownership.
 Municipal Certificate (urban/rural area and forestry restrictions).
 Authorization from the Municipal Conservation Unit manager, where applicable.
 Current land use map (with SIRGAS2000 coordinates, PDF digital format, and shapefile) indicating: perimeter, plots, planted species, APPs, RL, outcrops, archaeological/historical sites, degraded areas, forestry infrastructure, and access sketch.
 Land slope map, where applicable.
 Authorization and environmental information
 Authorization for removal of native vegetation, where applicable.
 Information on the occurrence of invasive shrubs and trees (according to SEMA Ordinance No. 79/2013, or its replacement standard).
 Invasive species control and eradication plan (including pine, according to SEMA Ordinance No. 10/2014).
 Invasive species control reports.
 Environmental management programs and reports.
 Environmental Training Plan.
 Proof of completed training.
 Information Sheet with ART (implementation, management, harvesting, schedule, infrastructure).
 Forestry Project with ART (management, schedule, infrastructure, engineering works, impact mitigation).
 Reports on forestry activities performed.
 PRADA (Project for the Restoration of Degraded and Altered Areas) with ART, when there are APPs or degraded areas.
 PRADA report (execution).
 Fire prevention, control, and combat plan.
 Fire prevention and combat plan report.
 Environmental report (impacts, mitigation measures, and compensation) with ART.
 Specific studies and reports (depending on the region/NPU)
 Technical reports on the occurrence/distribution of fauna species (Hydrodynastes gigas, Austrolebias alexandri, Sporophila hypoxantha, Liolaemus arambarensis, Ctenomys minutus, Ctenomys flamarioni, Lepthoplosternum tordilho, Elachistocleis erythrogaster).
 Maps of fauna occurrence areas and corridors.
 Detailed studies on environmental feasibility in certain Natural Landscape Units

(NPUs).
 Studies on the occurrence and distribution of plant species (Croton calyciglandulosos, Croton ramboi, Pavonia malmeana).
 External audit reports

Detailed description of CB evaluation of mitigation measure and its conclusions

Although the company considers mitigation measures to be necessary, all applicable supporting documentation was provided, including, for example, land title deeds, Clearance Certificates (CNDs), the Rural Environmental Registry (CAR), the Certificate of Registration of Rural Property (CCIR), the Rural Land Tax return (ITR), maps, and due diligence field audit reports. The company also carries out public consultations with the relevant authorities, where applicable. Therefore, the implemented measures have been deemed sufficient.

Country

Brazil

Area/Sub-Scope

Rio Grande do Sul

Indicator

1.1.4 Payments for harvest rights and feedstock, including duties, relevant royalties and taxes related to timber harvesting shall be complete and up-to-date.

Specified risk description

We can conclude that certain operations related to raw material procurement and biomass production are low-risk. Although tax evasion practices, such as sales without an invoice and issuing invoices with a lower volume or value than the actual value, are a known risk in Brazil, and the capacity of inspection agencies is considered insufficient to mitigate the existing risk, and tax evasion is a systematic problem in Brazil, this risk is reduced when dealing with planted forests. Furthermore, all invoices are issued directly to Connexion, with the timber shipped directly from the forest and must be accompanied by a printed tax document.

Detailed description of a mitigation measure

 Due Diligence System to verify compliance with applicable legislation, including payment of royalties for exploration and timber. Field inspections, inventories, remote sensing, and environmental licenses. Consultation of tax certificates of suppliers and service providers. Forest Purchase Contracts. Transportation Invoices.

Detailed description of CB evaluation of mitigation measure and its conclusions

The invoices accompanying the product, as well as the corresponding export documentation (commercial invoice, Bill of Lading (B/L), and DU-E), were verified. The company also conducts field and document-based audits to ensure the effectiveness of its due diligence system. Therefore, the implemented measures have been deemed sufficient.

Country

Brazil

Area/Sub-Scope

Rio Grande do Sul

Indicator

2.2.1 Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands.

Specified risk description

Regarding the different types of land mentioned, native forests are directly covered by the ANR's scope and are designated as Determined Risk. Wetlands, although not explicitly mentioned in the indicator, appear protected in other areas of the assessment, such as High Conservation Value (HCV 1), in reference to Ramsar sites, and HCV 4, related to critical ecosystem services. Peatlands, however, are not directly addressed, but can be inferred in the context of the protection of fragile ecosystems. Highly biodiverse grasslands, such as the Cerrado and rupestrian fields, are included in the treatment given to forests and native vegetation, and are also classified as Determined Risk due to their ecological significance, high levels of endemism, and vulnerability to conversion. In summary, the ANR establishes that raw materials from native forests and biodiverse ecosystems converted after January 2008 should be considered at Determined Risk, reflecting systematic conversion, poor enforcement of laws, and the significant annual net loss of natural cover. Forest plantations, however, are not considered a source of risk within this indicator, since their origin is not associated with direct deforestation of native vegetation. The risk of raw materials originating from lands converted after January 2008 is considered high, as the standard treats these situations restrictively, making Management Units ineligible for certification except in exceptional cases. Therefore, the general rule is to exclude areas converted during this period, with certification permitted only when there is rigorous proof of remediation and additional benefits that justify the exception. Therefore, the risk of raw materials originating from areas converted after January 2008 is a specified risk, since the standard establishes ineligibility as a general rule. Qualification for certification is only possible under exceptional conditions, strongly conditioned by remediation processes and proof of additional benefits.

Detailed description of a mitigation measure

 Analysis of the New Forest Code (Law No. 12,651/2012) and the Atlantic Forest Law (Law No. 11,428/2006).
 Verification of operating licenses and authorizations from the competent state environmental agency.
 Map preparation and verification of satellite images.
 CAR: land use and land cover maps declared and analyzed in the system.
 Environmental licenses and authorizations issued by competent agencies (LP, LI, LO, suppression authorization).
 Official management or suppression authorization documents (forest authorization, liability statement, restoration plan).
 Historical satellite images showing vegetation cover before and after 2008.
 Technical reports from environmental agencies or accredited consulting firms.
 Field inspection reports with georeferenced photographic records.
 Records of the PRA or conduct adjustment terms (TAC) signed with environmental agencies.
 Public inspection databases (e.g., IBAMA embargo list, state infraction registries).
 HCV mapping prepared according to FSC methodologies.
 Certification or due diligence audit reports

Detailed description of CB evaluation of mitigation measure and its conclusions
The company maintains land use and land conversion analysis maps. To verify land use and the absence of conversion after 2008, the company uses historical satellite imagery showing vegetation cover before and after 2008, technical reports issued by environmental authorities or accredited consulting firms, and field inspection reports supported by georeferenced photographic records. Therefore, the implemented measures have been deemed sufficient.

Country
Brazil
Area/Sub-Scope
Rio Grande do Sul
Indicator
2.2.2 Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.
Specified risk description
This designation considers that, although it is possible to identify the presence of HCV 4, there is a lack of detailed information on specific threats and that damage to natural forests is frequent, with ineffective monitoring. The precautionary principle was applied due to the widespread distribution of HCV 4 areas and the difficulty in accurately identifying threats. The determined risk threshold is met, as HCV 4 is identified or likely in the assessed area and is threatened by management activities. The ANR recognizes the significant importance of ecosystem services in Brazil and the existence of legislation to protect them. However, the territorial extent, the complexity of ecosystems, limited oversight, the occurrence of illegal activities, and the difficulty in directly correlating forest management with specific threats justify the HCV 4 Risk Classification, requiring the implementation of control measures to reduce impacts on critical ecosystem services.
Detailed description of a mitigation measure
□ Updated maps of APPs, RLs, and ecological corridors, showing protected areas and permitted interventions. □ Management plans with documented preventive measures. □ Records of environmental incidents and implemented corrective actions. □ Photographic evidence and restoration or mitigation reports. □ Maps of conservation and restoration areas. □ Documented environmental assessment reports. □ Thematic maps of ecosystems and habitats. □ Species inventories and biodiversity monitoring. □ Evidence from consultations of environmental databases and scientific literature. □ Native species inventories and population monitoring. □ Documented habitat restoration plans. □ Landscape mosaic and diversification implementation reports. □ Maps and inventories of rivers, streams, and riparian zones. □ Water quality and quantity monitoring. □ Evidence of riparian vegetation restoration and maintenance actions □ Periodic ecosystem and service monitoring reports.

 Evidence of adjustments in adaptive management.

Detailed description of CB evaluation of mitigation measure and its conclusions

The company provides updated maps of Permanent Preservation Areas (APPs), Legal Reserves (RLs), and ecological corridors, identifying protected areas and permitted interventions. In addition, the forest management plan includes documented preventive measures, as well as inventories of native species and population monitoring. Therefore, the implemented measures have been deemed sufficient.

Country

Brazil

Area/Sub-Scope

Rio Grande do Sul

Indicator

2.2.3 Soil quality in the Supply Base shall be maintained or enhanced

Specified risk description

Despite the existence of comprehensive legislation and management plans, the ANR classifies the risk as "determined" for the entire country, both for indicator 1.10 and HCV 4. This is due to the possibility of forestry practices not complying with environmental requirements, the occurrence of corruption, inefficient oversight, and the lack of continuous inspection. Furthermore, changes in legal requirements regarding minimum water source protection areas have resulted in widespread liabilities, demonstrating that noncompliance is frequent and systematic. Data and observations indicate that damage to natural forests occurs with some regularity, reinforcing the risk to soil and critical ecosystem services. The ANR recognizes the need to maintain or improve soil and water resource quality in the Supply Base, emphasizing the role of good management practices and soil conservation. However, due to the weakness of oversight, the systematic occurrence of illegalities and the inefficiency of monitoring, the risk that forest management practices cause damage to the soil is considered determined throughout the national territory.

Detailed description of a mitigation measure

 Field inspections to verify the use of appropriate equipment and techniques appropriate to the terrain and topographic conditions of the supply units.
 Monitoring vegetation cover in production and recovery areas, including APPs and RLs.
 Inspection of the use of plant residues and the absence of burning or fire.
 Verification of the forest management plan or project, including soil conservation techniques.
 Soil fertility control through periodic analyses of physical, chemical, and biological parameters.

Detailed description of CB evaluation of mitigation measure and its conclusions

The company conducts field inspections to verify the use of appropriate equipment and harvesting techniques suitable for the terrain and topographic conditions of the supply units. It also monitors vegetation cover in production and restoration areas, including Permanent Preservation Areas (APPs) and Legal Reserves (RLs), inspects the management of plant residues and verifies the absence of burning or fire. In addition,

the company reviews the forest management plan, including soil conservation practices. Therefore, the implemented measures have been deemed sufficient.

Country
Brazil
Area/Sub-Scope
Rio Grande do Sul
Indicator
4.1.2 Forced or compulsory labour shall not be used.
Specified risk description
At the national level, the Brazilian Penal Code (Decree-Law No. 2,848/1940, Section 149) defines labor analogous to slavery and its characteristic elements, including degrading conditions, exhausting work hours, debt bondage, and physical or psychological coercion. Complementary labor legislation also provides standards on safety, compensation, and freedom of contract, but it has gaps that require certified organizations to adopt proactive control measures in line with FSC principles. There is evidence to support the risk of violation of these rights in Brazil, making it a specific risk.
Detailed description of a mitigation measure
□ Declaration of Commitments and Conduct. □ Policies available via email. □ Conduct periodic inspections of all controlled or certified timber supply units, at least once during the supply period. □ Submit debt certificates and consult the supply unit's violation notices (MTE). □ Conduct periodic internal and external audits on forced labor practices and working conditions. □ Document recruitment, hiring, and personnel management processes, ensuring workers' voluntary consent. □ Internal policies and communications prohibiting forced labor. □ Records of hiring, wage payments, and working conditions. □ Debt certificates and violation notices. □ Internal HR procedures and collective agreements. □ Documented complaints and communication channels, such as email and the "Contato Seguro" website. □ Declaration of Commitments and Conduct.
Detailed description of CB evaluation of mitigation measure and its conclusions
The company has established a Declaration of Commitments and Conduct, supported by internal policies communicated to employees via email. It conducts periodic inspections of all controlled and certified timber supply units, at least once during the supply period, and verifies compliance through debt clearance certificates and consultations of labour violation records maintained by the Ministry of Labour and Employment (MTE). The company also performs periodic internal and external audits covering forced labour practices and working conditions, maintains documented recruitment, hiring, payroll, and personnel management procedures to ensure workers'

voluntary consent, and has internal policies prohibiting forced labour. In addition, documented grievance mechanisms and communication channels, including email and the "Contato Seguro" platform, are available to employees. Therefore, the implemented measures have been deemed sufficient.

Country
Brazil
Area/Sub-Scope
Rio Grande do Sul
Indicator
4.1.4 Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.
Specified risk description
In the legal sphere, the 1988 Federal Constitution prohibits differences in wages, functions, and hiring criteria based on sex, age, race, or marital status, in addition to punishing discriminatory practices that violate fundamental rights and freedoms, including racism. The Consolidation of Labor Laws (CLT) also prohibits discrimination based on sex, nationality, or age for work of equal value. There are also specific laws, such as Law No. 9.029/95, which prohibits discriminatory practices against women, and others that guarantee rights for workers with disabilities. However, the practical application of these laws is considered insufficient, and enforcement is weak, resulting in frequent and systemic violations. Even with solid legislation, the risk of discriminatory practices in Brazil remains high. Research indicates that the gender pay gap is around 17%, and that Black, Indigenous, and mixed-race women are concentrated in lower-quality and lower-paying jobs, making them the most affected by inequalities. Labor inspection reports also point to persistent cases of discrimination and harassment, highlighting the need for oversight, awareness, and effective enforcement of existing legislation. Therefore, it is classified as a "specified risk."
Detailed description of a mitigation measure
□ Adopt a formal equality and non-discrimination policy applied to all stages of the employment relationship (hiring, compensation, promotion, training, termination, and retirement). □ Use objective and transparent criteria for recruitment, selection, performance evaluation, and promotion. □ Ensure equal pay for roles of equal value, in accordance with the Consolidation of Labor Laws (CLT) and ILO conventions. □ Implement diversity and inclusion programs, with actions focused on gender, race, ethnicity, age, and people with disabilities. □ Offer periodic training on moral harassment, sexual harassment, and discriminatory practices. □ Establish secure and confidential reporting channels for cases of discrimination or harassment. □ Conduct internal audits and periodic analyses to identify disparities in pay, access to positions, and training. □ Promote inclusive communication in job postings and institutional materials. □ Ensure physical and digital accessibility for workers with disabilities. □ Make a public commitment to respect ILO conventions and national legislation. □ Payroll and salary records, demonstrating equal pay for workers in equivalent roles. □ Evidence of communication of the policy to all workers (bulletins, circulars, meetings, training). □ Reports on the operation of the whistleblowing channel, including statistics on reported and resolved cases. □ Declaration of Commitments and Conduct. □ Policies available by email.

Detailed description of CB evaluation of mitigation measure and its conclusions
The company has established formal policies on equality, diversity, and non-discrimination, which are communicated to employees via email and supported by the Declaration of Commitments and Conduct. The company applies objective and transparent criteria for recruitment, selection, performance evaluation, promotion, compensation, training, and termination, while ensuring equal pay for equivalent roles in accordance with applicable labour legislation and ILO Conventions. Evidence reviewed included payroll and salary records demonstrating equal pay, communication of the relevant policies to employees, reports on the operation of the whistleblowing channel, and the Declaration of Commitments and Conduct. Therefore, the implemented measures have been deemed sufficient.

Country
Brazil
Area/Sub-Scope
Rio Grande do Sul
Indicator
4.1.5 Wages paid to workers shall meet or exceed the legal minimum wage or where there is no statutory minimum wage industry norms shall be met or exceeded
Specified risk description
Although Brazilian legislation, centered on the Consolidation of Labor Laws (CLT – Decree-Law No. 5,452/1943), guarantees rights such as minimum wage, limited working hours, rest periods, paid vacations, and maternity leave, the standard classifies this indicator as a determined risk at the national level. This classification stems from insufficient inspections by the Ministry of Labor and Employment to ensure compliance with the law, especially in the rural sector, as well as frequent reports of slave-like conditions and other labor rights violations in the forestry sector, a situation corroborated by the World Bank's "Rule of Law" index. Given the high probability of non-compliance with these rights, the standard adopts the precautionary principle, requiring organizations to conduct field checks to confirm that all workers are employed in accordance with the law, that contracts and payment of taxes are properly recorded, that minimum wages are being paid in accordance with the professional category, that the legal minimum age is respected, and that no child labor or forced labor practices occur in timber harvesting and transportation activities. Thus, although clear legislation exists, the standard identifies a real risk of non-compliance, requiring active monitoring to ensure that wages paid to workers are compatible with the law and labor rights. While the legislation establishes sufficient protection, its practical application is inconsistent, especially in the forestry sector, requiring additional control and verification measures by organizations, and becoming a "specified risk."
Detailed description of a mitigation measure
□ Collective bargaining agreement. □ Provider pay stubs. □ Documentary evidence: payslips, receipts, bank statements, employment contracts, benefit records, and adjustments. □ Comparison with legislation and sectoral minimum wages: verify that wages paid meet or exceed the legal minimum wage, minimum wages, and defined living wages. □ Audit records: internal and external reports on wage compliance. □ Engagement records: minutes of meetings with workers or unions regarding wages and benefits. □ Timely payment records: evidence of payments made on the correct dates,

without delays. Pay equity verification: analysis of the salary schedule for equal roles, identifying potential unjustified differences. Complaint and corrective action records: complaint reports, investigations, and measures taken. Proof of payment of social security contributions (FGTS, INSS). Identification documents proving the minimum age of workers. Field inspection reports, worker interviews, and direct observations attesting to the absence of child labor or slavery. Internal or external audits confirming the effective implementation of control measures.

Detailed description of CB evaluation of mitigation measure and its conclusions

Evidence reviewed included the collective bargaining agreement, employee payslips, employment contracts, payment receipts, bank transfer records, benefit records, and salary adjustments. Wage payments were verified against applicable legislation, sectoral minimum wages, and other legal requirements to confirm compliance. In addition, complaint records, investigations, corrective actions, and evidence of statutory social security contributions (FGTS and INSS) were examined. Worker identification documents were reviewed to verify compliance with minimum age requirements, while field inspection reports, worker interviews, and direct observations confirmed the absence of child labour and forced labour. Internal and external audit reports further demonstrated the effective implementation of the company's control measures. Therefore, the implemented measures have been deemed sufficient.

Country

Brazil

Area/Sub-Scope

Rio Grande do Sul

Indicator

4.1.6 Working hours shall comply with legal requirements.

Specified risk description

Despite the existence of this legislation, the indicator is classified as a specific risk nationwide, given that inspections by the Ministry of Labor and Employment (MTE) are insufficient to ensure compliance with the law, especially in the forestry sector. Data from the Labor Inspection Secretariat recorded 552 notifications over the last three years related to working hours in agricultural, forestry, and fishing activities, highlighting frequent and systematic violations. Applying the precautionary principle, the standard requires mandatory control measures, such as on-site inspections to ensure that all workers are employed in accordance with the law and that contracts and workday records are available. Furthermore, recent amendments to the Consolidation of Labor Laws (CLT), by Law No. 13,467/2017, relaxed some legal obligations, reinforcing the need for continuous monitoring. In short, although clear legislation on working hours exists, the risk of noncompliance is high, making on-site inspections essential to ensure that working hours comply with legal requirements. Therefore, this risk is classified as specified.

Detailed description of a mitigation measure

 Pay slips. Time cards. Formal monitoring of work hours, including daily records of hours worked and overtime. Internal policy on compliance with mandatory breaks and rest periods. Supervisor and employee training on applicable labor laws. Periodic internal and external audits to verify compliance with the Consolidation of

Labor Laws (CLT) and FSC requirements. Timesheets or systems for tracking time and overtime reports. Documentation of breaks and rest periods granted, including compensatory time off and time banked. Records of night shift and overtime pay. Internal and external audit reports attesting to compliance with legal and FSC requirements.

Detailed description of CB evaluation of mitigation measure and its conclusions

The company maintains records demonstrating compliance with working hours, overtime, and rest period requirements, including payslips, time records, and formal monitoring systems for daily working hours and overtime. The company has internal procedures to ensure compliance with mandatory breaks, rest periods, compensatory time off, and time banking arrangements. Supervisors and employees receive training on applicable labour legislation, and periodic internal and external audits are conducted to verify compliance with the Consolidation of Labour Laws (CLT) and FSC requirements. Therefore, the implemented measures have been deemed sufficient.

Country

Brazil

Area/Sub-Scope

Rio Grande do Sul

Indicator

4.1.7 Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation

Specified risk description

They are classified as a determined risk throughout the country, given the history of labor rights violations, including forced labor, insufficient oversight by the Ministry of Labor and Employment (MTE), and gaps in the enforcement of social rights, according to ILO reports. To mitigate this risk, organizations must implement mandatory control measures, such as verifying the compliance of all workers' documentation, ensuring that contracts, payment of taxes, working hours, and benefits are correct; assessing the provision and proper use of PPE; ensuring safe working conditions, transportation, housing, and sanitary facilities; adequate food and water supply; regular training; and confirmation of up-to-date occupational health examinations. Practical verifiers include audits of labor and social security records, field inspections of working conditions, worker interviews, ASO verifications, verification of PPE supply and use, and inspection of housing, transportation, and sanitary facilities. Thus, the standard recognizes that, although Brazilian legislation is comprehensive, the reality of compliance presents significant risks, requiring continuous internal oversight and robust control measures to ensure that workers effectively receive all the benefits and provisions to which they are entitled. It is understood that the risk is specific

Detailed description of a mitigation measure

 Pay slip. Consultation with Brazilian legislation (INSS). Formal occupational health and safety policies, including PCMSO and periodic examinations; Education programs and disease prevention campaigns; Documented procedures for compensation for illnesses and accidents; Periodic engagement with workers and unions regarding benefits and compensation; Internal and external audits to verify legal compliance and compliance with the FSC standard. Records of periodic medical

examinations; Health plan contracts and employee coverage records; Reports of health and prevention campaigns; Records of complaints, claims, and compensation paid; Evidence of meetings and consultations with workers and unions; Records of occupational medical examinations and health programs implemented. Health plan contracts and proof of employee membership. Documentation of absences and benefits paid (sick pay, retirement, survivor's pension, accident benefit). Reports of workplace accidents and occupational diseases, with evidence of investigation and compensation. Evidence of communication regarding health campaigns and training on labor rights. Records of mandatory reporting to the INSS (National Institute of Social Security) and the Ministry of Labor. Results of internal/external audits and inspections.

Detailed description of CB evaluation of mitigation measure and its conclusions

The company maintains records demonstrating compliance with occupational health and safety requirements, including payslips, consultation of applicable Brazilian legislation, formal occupational health and safety policies, the Occupational Health Medical Control Program (PCMSO), and records of periodic medical examinations. The company implements health education programs and disease prevention campaigns, as well as documented procedures for compensation related to occupational illnesses and accidents. Internal and external audits are also conducted to verify compliance with legal requirements and applicable FSC standards. Therefore, the implemented measures have been deemed sufficient.

Country

Brazil

Area/Sub-Scope

Rio Grande do Sul

Indicator

4.2.3 Food, water supply or high conservation values (HCV) that are essential for the fulfilment of basic needs of communities shall be maintained or enhanced

Specified risk description

Brazilian legislation, both at the federal and state levels, provides a regulatory framework for meeting the indicator, which requires maintaining or improving the supply of food, water, or High Conservation Value Attributes (HCVs) essential for the basic needs of communities, as well as avoiding violations of traditional and human rights. However, the practical application of these laws faces significant challenges, resulting in a "specified risk" to compliance in several social and rights-related areas.

Detailed description of a mitigation measure

 Analysis of the Rights of Indigenous Peoples and Traditional Communities. Signed FPIC documents and records of meetings with communities. Updated maps and registries of Indigenous and Quilombola lands and areas of influence. Internal or external audit reports on compliance with human and cultural rights. Records of training conducted and frequency of team participation. Protocols and opinions from IBAMA, FUNAI, FCP, or IPHAN related to licensing. Assessment of socioeconomic

and environmental impacts prior to the start of activities. Specific impact mitigation plans for affected communities. Establishment of communication channels for registering complaints and compensation requests. Implementation of fair compensation mechanisms, proportional to the identified impact. Approved environmental and social impact assessments (EIA/RIMA). Monitoring and monitoring reports on impacts and mitigation measures. Records of response to complaints, claims, or compensation requests. Evidence of corrective actions implemented when necessary. Consultations to verify supplier compliance. Identification and mapping of HCVs essential for local communities. Definition of protection zones within the forest management area. Continuous monitoring of resource use in HCVs and impacts on livelihoods. Promotion of community engagement in HCV management. Georeferenced HCV maps and monitoring records. Internal inspection reports on the conservation status and use of HCVs. Meeting minutes and records of engagement with local communities. Evidence of corrective actions when the use or conservation of HCVs is compromised. Monitoring the quality and quantity of water resources available to communities. Restricting activities that may compromise the availability of water or food. Ensuring access to natural resources for basic consumption and food security. Controlling the sustainable use of productive areas and non-timber forest resources (NTFPs).

Detailed description of CB evaluation of mitigation measure and its conclusions

The company implements monitoring programs and maintains records on environmental and social impacts, as well as the mitigation measures adopted. The company also maintains records of responses to complaints, claims, and compensation requests, including evidence of corrective actions implemented when necessary.
The company identifies and maps High Conservation Values (HCVs) that are essential for local communities and establishes protection zones within the forest management areas. Evidence reviewed included georeferenced HCV maps, monitoring records, and internal inspection reports documenting the conservation status and use of HCV areas, if applicable. Therefore, the implemented measures have been deemed sufficient.

Country

Brazil

Area/Sub-Scope

Rio Grande do Sul

Indicator

4.2.4 Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.

Specified risk description

Although Brazilian legislation is comprehensive, its effectiveness is compromised by enforcement failures, corruption, insufficient oversight, and systematic violence against communities, classifying most indicators related to these rights as "specific risk." Thus, it appears that, although Brazil has a robust set of regulations to ensure the protection of Indigenous Peoples and local communities, in practice, the effectiveness of these rights depends on implementation, oversight, and social engagement tools, in addition to the adoption of best practice standards such as those of the FSC. The central challenge lies not only in the existence of standards, but also in their concrete

implementation, the effective recognition of the value of traditional knowledge, and the strengthening of the participation of these communities in decisions that affect their territories and ways of life.

Detailed description of a mitigation measure

 Analysis of the rights of Indigenous Peoples and Traditional Communities. Consultation with interested and/or affected parties. Field verification. Identification and mapping of Indigenous, Quilombola, and traditional community lands in the areas of operation. Consultation and obtaining Free, Prior, and Informed Consent (FPIC) before any intervention or management in traditional territories. Implementation of internal procedures to respect cultural heritage and human rights standards. Ongoing training of staff on traditional rights, FPIC, and applicable environmental/social legislation. Monitoring environmental licensing processes with community participation. Signed FPIC documents and records of meetings with communities. Updated maps and registries of Indigenous, Quilombola, and areas of influence lands. Internal or external audit reports on compliance with human and cultural rights. Records of training conducted and frequency of team participation. Protocols and opinions from IBAMA, FUNAI, FCP, or IPHAN related to licensing.

Detailed description of CB evaluation of mitigation measure and its conclusions

The company assesses the rights of Indigenous Peoples and Traditional Communities through stakeholder consultations, field verification, and the identification and mapping of Indigenous Lands, Quilombola Territories, traditional communities, and areas of influence within its supply base. Where applicable, Free, Prior and Informed Consent (FPIC) is obtained before any intervention or forest management activities are undertaken in traditional territories. The company has established internal procedures to ensure respect for cultural heritage and human rights, supported by regular training for employees on Indigenous and traditional community rights, FPIC, and applicable environmental and social legislation. Evidence reviewed included signed updated maps and land registries, internal and external audit reports on compliance with human and cultural rights requirements, training records, and opinions or protocols issued by IBAMA, FUNAI, Fundação Cultural Palmares (FCP), and IPHAN in support of environmental licensing processes. Therefore, the implemented measures have been deemed sufficient.

Country

Brazil

Area/Sub-Scope

Rio Grande do Sul

Indicator

4.2.7 Designated cultural heritage sites shall be preserved.

Specified risk description

The risks remain high due to the wide distribution of cultural attributes, the difficulty of accurate identification in the field, and the frequent violations of the rights of traditional and indigenous peoples, reported by organizations such as CIMI, CPT, and Greenpeace. The main threats arise

from overlapping forest management areas with cemeteries, archaeological sites, places of worship, and cultural landscapes, as well as restrictions on access to sacred areas. The set of current laws, conventions, and management instruments establishes a robust system for safeguarding cultural heritage in Brazil. The comprehensiveness of the standards, the requirement for technical evaluation in licensing processes, the participation of specialized agencies, and the recognition of the cultural and historical value of different assets and areas justify the "specified risk" classification for the non-preservation of designated cultural heritage sites.

Detailed description of a mitigation measure

 Overlay mapping according to the FSC National Risk Analysis guidelines. Consultation of databases such as the National Registry of Conservation Units (MMA) and IPHAN (Archaeological Heritage). Field verification. Georeferenced maps overlaid with layers of information from IPHAN, FUNAI, INCRA, UNESCO, and IBGE. Consultation reports with local, indigenous, and traditional communities, recording participants, topics discussed, and results. Minutes and records of social engagement meetings and annual consultations. Audit and field verification reports documenting the status of cultural heritage sites. Evidence of mitigation measures adopted when impact risks were identified (e.g., road alignment changes, exclusion of management areas, protective barriers). Records of training and development provided to teams and service providers on cultural heritage. Compare service areas with official databases (IBGE, FUNAI, INCRA, IPHAN, UNESCO) to identify possible overlaps or proximity (up to 10 km) with indigenous territories, quilombolas, traditional communities, archaeological sites, and cultural heritage sites. Management plans containing specific strategies for the protection and conservation of sites of cultural significance.

Detailed description of CB evaluation of mitigation measure and its conclusions

The company performs overlay mapping in accordance with the FSC National Risk Assessment requirements and compares the supply areas with official databases, including those maintained by IBGE, FUNAI, INCRA, IPHAN, UNESCO, and the National Registry of Conservation Units (MMA), to identify any overlap or proximity (up to 10 km) to Indigenous Lands, Quilombola Territories, traditional communities, archaeological sites, and other areas of cultural significance. Field verification is also conducted to confirm the results of the desktop assessment. In addition, training records demonstrated that employees and contractors receive guidance on cultural heritage protection, and the forest management plans include specific measures for the protection and conservation of sites of cultural significance, where applicable. Therefore, the implemented measures have been deemed sufficient.