Supply Base Report:

Tec Pellets Produção e Comercialização de Pellets Re-assessment

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 2.2 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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1 Overview

Producer name:	Tec Pellets Produção e Comercialização de Pellets
Producer address:	Rua Padre Celestino Furtado, Nº 723, 4570-077 Balazar, Póvoa do Varzim, Portugal
SBP Certificate Code:	SBP-14-10
Geographic position:	41.389521, -8.612258
Primary contact:	Avelino Reis, +35 193 775 0400, geral@tecpellets.pt
Company website:	www.tecpellets.pt
Date report finalised:	25 Sep 2025
SBR reporting period from:	01 Apr 2025
SBR reporting period to:	31 Mar 2026
Name of the Certification Body:	SGS North America Inc.
Certification Body Approval date:	22 Oct 2026
SBP Standard(s) used:	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
Feedstock origin (countries)	Portugal (Mainland), Spain (Galicia and Castilla y León)
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company

The pellet production unit began its operations in the first quarter of 2013. Equipped with the latest technology in terms of equipment, it allows the production of a high-quality product that meets the most demanding specifications of both national and international customers.
It has an installed capacity of 100,000 tons per year and is located in the northern region of Portugal, in Balazar, Póvoa de Varzim - Porto.
In pellet production, 100% natural raw materials are used, making use of products from the forestry chain, such as waste from the wood industry (sawdust and offcuts), various types of wood chips, and residues obtained from forest cleaning. These are used to produce biofuel, which is considered clean and has a significant impact on reducing CO2 emissions.

Products included in the scope of SBP Certification: *WB 1.1 Wood pellets*

Number of employees: *30*

Annual maximum production capacity (metric tonnes): *120000*

Number of direct feedstock suppliers: *130*

Approximate number of feedstock sub-suppliers: *90*

Description of the chain-of-custody and upstream supply chain:

To produce pellets Tec Pellets used 100% of natural feedstock such as material of the forest chain, as is the case of waste from the wood industry (sawdust and slab wood), various roundwood and the residues obtained in clearing the forests. . Tec Pellets has its own harvesting teams but buys most of the primary feedstock from independent harvesting companies. In this reference period Tec Pellets own harvested team harvested approximately 8% of feedstock received. This value represent about 9800 tonnes of the feedstock.
The present Supply Base of Tec Pellets includes:
1. Portugal Mainland - around 130 suppliers; of which 25 secondary feedstock suppliers; 94% of the feedstock is of Portuguese origin.
2. Two Autonomous Communities of Spain: Galicia and Castilla y León (3 supplier´s). 6% of the feedstock is of spanish origin. These 6% correspond to well-managed public areas.

2.2 Detailed description of the Supply Base

Guidance: Tables below have been generated automatically for each sourcing country based on the selection of 'Feedstock origin (countries)' in section 1 above.

Annex 1 is generated by the system if the SBP SBE is used without Regional Risk Assessment(s) (RRAs). In case RRA(s) is used, further details shall be given only in section 3 below.

Annex 2 is generated if EU RED SBE is in the scope for each country separately.

Country	Portugal
Area/Region	Mainland
Exclusions	
Feedstock types	Primary feedstock, Processing residues
Feedstock Product Groups	Forest feedstock (1A), Processing residues feedstock (4A)

Feedstock inputs	SBP Compliant feedstock , SBP Controlled feedstock
Is the forest managed to supply energy and non-energy markets?	No
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
Risk assessment(s)	Yes – Biomass Producer's own risk assessment used (SBE)
Provide a concise summary of why a SBE was determined to be required or not required here:	
SBE was determined to be required in Portugal Mainland mainly due to the fact that in the north and centre of Portugal there are many (few hundred thousand) owners of forest lands with only one or two ha, and FSC® or PEFC group certifications, although continuously increasing, had started to develop in recent years. Additionally, the biomass market increasingly demands for sustainability requirements, where SBP-compliant biomass is included, and Tec Pellets is committed to be recognized as a sustainable biomass operator and supplier.	
Feedstock types included in SBE:	Primary feedstock
Includes EU RED SBE:	Yes
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	3.2242
Map(s) of the Supply Base area:	


Portugal
International boundary
District boundary
National capital
District capital
Railroad
Road
0 25 50 Kilometers
0 25 50 Miles
Districts are named after their respective capitals. The Azores districts of Angra do Heroísmo, Horta, and Ponta Delgada, and the Madeira Islands district of Funchal are not shown.
NORTH ATLANTIC OCEAN
SPAIN
Golfo de Cádiz
Valença
Verin
Benavente
Bragança
Chaves
Viana do Castelo
Braga
Guimarães
Fafe
Zamora
Vila Real
Porto
Barca d'Alva
Salamanca
Aveiro
Viseu
Vilar Formoso
Ciudad Rodrigo
Guarda
Bejar
Coimbra
Covilhã
Figueira da Foz
Plasencia
Castelo Branco
Leiria
Tomar
Abrantes
Valencia de Alcántara
Cáceres
Trujillo
Caldas da Rainha
Portalegre
Santarém
Mérida
Mora
Badajoz
Estremoz
Lisbon
Almada
Barreiro
Vendas Novas
Setúbal
Evora
Alcácer do Sal
Zafra
Fregenal de la Sierra
Grândola
Moura
Sines
Beja
Serpa
Sevilla
Vila Real de Santo Antonio
Huelva
Ayamonte
Utrera
Portimão
Tavira
Lagos
Faro
Sagres
Base 505036 (546614) 8-82

Country	Spain
Area/Region	Galicia and Castilla y León
Exclusions	
Feedstock types	Primary feedstock
Feedstock Product Groups	Forest feedstock (1A)
Feedstock inputs	SBP Compliant feedstock , SBP Controlled feedstock
Is the forest managed to supply energy and non-energy markets?	No
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
Risk assessment(s)	Yes – Biomass Producer's own risk assessment used (SBE)
Provide a concise summary of why a SBE was determined to be required or not required here:	
SBE was determined to be required in the Spanish 2 Autonomous Communities Galicia and Castilla y León mainly to cover any potential feedstock not SBP-approved by any Forest Management Scheme. Additionally, the industrial biomass market increasingly demands for sustainability requirements, where SBP-compliant biomass is included and Tec Pellets is committed to be recognized as a sustainable biomass operator and supplier.	
Feedstock types included in SBE:	Primary feedstock
Includes EU RED SBE:	Yes
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	6.2318
Map(s) of the Supply Base area:	


Mar Cantábrico
FRANCIA
OCÉANO ATLÁNTICO
PORTUGAL
Mar Mediterráneo
A Coruña
Lugo
PRINCIPADO DE ASTURIAS
OVIEDO
SANTANDER
Donostia / San Sebastián
SANTIAGO DE COMPOSTELA
CANTABRIA
Bilbao
PAIS VASCO
VITORIA GASTEIZ
PAMPLONA/ IRUÑA
CDAD. FORAL DE NAVARRA
GALICIA
Pontevedra
Ourense
León
Burgos
LOGROÑO
LA RIOJA
Huesca
Girona
CATALUÑA
CASTILLA Y LEON
VALLADOLID
Soria
ZARAGOZA
Lleida
BARCELONA
ARAGÓN
Zamora
Tarragona
Salamanca
Segovia
CDAD. DE MADRID
MADRID
Guadalajara
Avila
Teruel
Cuenca
Castellón de la Plana / Castelló de la Plana
VALENCIANA
TOLEDO
Cáceres
VALENCIA
PALMA DE MALLORCA
ISLAS BALEARES
EXTREMADURA
CASTILLA-
LA MANCHA
MERIDA
Ciudad Real
Albacete
LISBOA
Badajoz
Alicante/ Alacant
REGIÓN DE MURCIA
MURCIA
Córdoba
Jaén
SEVILLA
ANDALUCÍA
Huelva
Granada
Almería
OCÉANO ATLÁNTICO
CANARIAS
Málaga
Cádiz
SANTA CRUZ DE TENERIFE
LAS PALMAS DE GRAN CANARIA
Ceuta
MARRUECOS
Melilla
SIGNOS CONVENCIONALES
MADRID
BARCELONA
Málaga
CANTABRIA

2.3 Feedstock information

a. **Total volume of Feedstock:** 200,000-400,000 tonnes

b. **Volume of primary feedstock:** 1-200,000 tonnes

c. **List of all the species in primary feedstock, including scientific name:**

Pinus spp	Pinus
Eucalyptus spp	Eucalyptus
Populus spp	Poplar
Cupressus lusitanica	Cypress
Cedrus spp	Cedar
Quercus spp	Oak
Acacia spp	Acacia
Alnus spp	Alder
Picea spp	Spruce
Larix spp	Larch
Abies spp	Fir tree
Castanea spp	Chestnut
Salix spp	Willow
Tsuga spp	Hemlock
Juglans spp	Wallnut tree
Platanus spp	Plane tree
Pseudotsuga spp	Douglas tree

d. **Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** No

Explanation:

e. **Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%)**: 48.00

f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 52.00

g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 0.00

h. **Indicate how you determine the proportion of saw log:** Specification issued by a body exercising functions of a public nature and issued for use by sawmills in the area in which the wood was grown.

i. **Roundwood from fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0.00

j. **Select forest type(s) where the primary feedstock was sourced from:** Mix of The Above

k. **Select the main harvesting system(s) used for the sourced primary feedstock:** Mix of the above

l. **Volume of primary feedstock from primary forest:** 0

m. **Volume of processing residues feedstock:** 1-200,000 tonnes
Physical form of the feedstock: Chips, Sawdust, Offcuts

n. **Share of SBP-recognised system claim for processing residues:**

100.00 % FSC controlled

o. **Volume of post-consumer feedstock:** 0
Physical form of the feedstock: Chips, Sawdust, Offcuts

p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 120000 tonnes

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

Explanation: Tec Pellets intends to receive 100% of its feedstock as EU RED-compliant sustainable feedstock.

3 Supply Base Risk Assessments and Risk Management Measures

Guidance: Biomass Producers shall demonstrate that any specified risks of sourcing feedstock not in compliance with SBP Standard 1 have been adequately reduced to low risk, following Standard 2 requirements. Following section applies to Biomass Producer's implementing SBP Supply Base Evaluation (SBP RRA or company own risk assessment). EU RED Supply Base Evaluation details are reported in Annex 2.

☐ **Not Applicable – Supply Base Evaluation not implemented**

3.1 Summary of the Supply Base Evaluation

The Supply Base Evaluation (SBE) was performed by the Sustainability Manager and Wood Supply Manager of Tec Pellets (hereinafter: the certification team), with the assistance of an external SBP certification specialist with ample experience. The Supply Base Evaluation Process started with taking the drafts of the NRA for Portugal into consideration, as also national legislation, national policies, and annual reports and publications of relevant institutions and authorities. During the preparation of the SBE, a detailed baseline study was made for each of the SBP indicators. A summarised description on each indicator is presented in Annex 1 and covers all relevant indicators of SBP Standard 1.
The certification team took the following steps in developing the Supply Base Evaluation:
1) Study the draft SBP National Risk Assessments (NRA) and compared it with Tec Pellets' own experience and procedures;
2) Compare the work on the NRAs to the experience and procedures Tec Pellets already developed on mitigating risks;
3) Develop the Risk Assessment and additional Risk Mitigation Measures (RMM) in cooperation with the suppliers of Tec Pellets (discussions on risks and analyses of non-conformities);
4) Incorporate the RMM in the procedures of Tec Pellets (adapt and develop procedures and checklists related to feedstock procurement);
5) Train harvesting teams of Tec Pellets and of the most developed feedstock suppliers;
6) Evaluate the RMM during harvesting operations of feedstock suppliers in practise. The Wood Supply Manager is a forestry specialist, who has been involved in wood procurement and field inspections for many years. He knows of the legal framework in forestry and a large local network of relevant contacts, which provides him with practical information on harvesting practices by feedstock suppliers. Tec Pellets is member of the National Wood Pellet Association of Portugal 'ANPEB', which is involved in a project on the SBP National Risk Assessment (NRA) for Portugal. Tec Pellets has followed the development process of the SBP NRA as a stakeholder for more than a year. This ensured that the Sustainability Manager was up-to-date on all relevant discussions on sustainability in Portugal. Tec Pellets and its feedstock suppliers have experience in forestry in Portugal and most risk mitigation measures were already in place. The documents stated below are regularly evaluated and improved, when possible. Relevant documents are:
· Signed declarations of feedstock suppliers;
· Procedure on the acquisition of feedstock. It avoids disputes between neighbouring landowners, if there could be risks (Procedimento para aquisição de matéria prima);
· Tec Pellets always completes the report 'Identification and Evaluation of Environmental Impact of harvesting operations' (Avaliação dos impactos ambientais);
· Tec Pellets Work Instruction in forestry (IT 04 - Exploração Florestal);
· Sampling and monitoring procedure:
· Assessment reports and checklists on:
o Harvest operations (CL 01 - Checklist Forest Exploration Suppliers);
o Feedstock suppliers (CL 02 - Check List Documental Verification Suppliers);
· Complaint procedures;

· Contracts on wood procurement;
· FSC Controlled Wood supplier evaluations (at least once a year);
· Documentation accompanying feedstock supply (related to the FSC evaluation of Controlled Wood and verifying the origin of the wood).
The Risk Assessment (RA) did not result in inconclusive indicators.
Monitoring procedure TEC Pellets of wood suppliers and harvesting plots Tec Pellets harvests feedstock itself (approximately 18% of the total volume) and buys from approximately 81 independent wood suppliers, of which approximately 18 are wood working companies (secondary feedstock; approximately 60% of the total volume) and 63 are wood harvesting companies (primary feedstock; approximately 22% of the total volume). Tec Pellets buys primary feedstock in the forest that has already been harvested (approximately 20% of the total volume); these volumes are chipped locally and transported to the pellet plant.
Tec Pellets has two harvesting teams. Both teams work at approximate relatively large forest areas (from 10 to 2000 ha.) and both work at approximately 5 forest areas a year. They execute forest harvesting operations, as also forest thinning operations.
Our suppliers, per year, harvest approximately 5 forest lots. They can perform thinning operations, clear cutting or selective cutting. All registration must be performed to comply with the internal document of Tec Pellets IT 04 - Forest Exploration, which may also be provided and / or consulted by our suppliers.

Method of sampling
The Wood Supply Manager inspects every year:
All forest operations of both harvesting teams of Tec Pellets; All suppliers of primary and secondary feedstock suppliers; All sub-suppliers of secondary feedstock suppliers.
Note: Most of the sub-suppliers of our suppliers are also our direct suppliers.
Considering suppliers of primary feedstock and the sub-suppliers of secondary feedstock, all forest harvesting operations are sampled.
The size of the sample (the amount of forest plots inspected) depends on the risk related to the wood supplier. For example, unknown sub-suppliers are checked directly and more frequently.
A risk analysis of the is based on:
The reputation of the company (and their owners);
Experience with the performance of the operations that have been checked;
Region where the company is working (there are regions with higher risks, for example the regions without a cadaster and thus unclear ownership borders).
The minimal number of samples taken a year is:
s = sample size (the amount of forest plots inspected)
n = the total number of forest operations executed by the forest harvesting company in the previous year, related to wood supply to Tec Pellets (directly or indirectly).
The amount of field inspections per supplier depends on the amount of plots a feedstock supplier is managing. Tec Pellets uses the formula: amount of sampling plots = 0.8 times the square root of the number of plots, on which a feedstock supplier is active in the ongoing year (y=0.8 □x). At least one plot per feedstock supplier is examined once a year and as soon as a feedstock supplier starts working on its fourth plot in that year, a second plot is assessed by Tec Pellets (at random). In case there is an increased risk related to the forest harvesting company, their operations are operations are inspected as soon as possible and more often. Till confidence of accurate forest management is obtained their forest operations are inspected as often as possible in practice.

Method of inspection
The Supply Manager informs in front, when he inspects the offices of wood harvesting companies and wood working companies. Normally, he does not inform in front he will inspect forest operations, also if it is forest operations that are performed for the saw mills. He knows the wood loggers of the saw mills and can ask independently where they are working. The inspections are performed on basis of the check lists. The check list is

filled in and are the inspection reports. The front man and a few forest workers are interviewed, if possible forest owners are interviewed as well. The reports are stored internally for at least 5 years. The non-conformities are discussed internally at Tec Pellets and then communicated to the harvesting company. The treatment of the actions to be taken is recorded in the document BD_Acções and is given a time to company to regularize the situation.

Decision making progress
The non-conformities are classified as minor and major. Improvement opportunity is not a non-conformity:
· Related to only the SBP evaluation
· Related to the SBP evaluation and the FSC Controlled Wood evaluation Major non- conformities are related to intentional and deliberate malfunctioning, or grave malfunctioning of the company and unacceptable performance. Minor non- conformities a re related to non-deliberate malfunctioning of the company and forest workers, which can be solved by, for example additional trainings of personnel and replacement of equipment.
After a minor non-conformity, the supplier is required to answer in writing within one month:
· Why did the non-conformity occur?
· Which measures are taken to avoid the non-conformity of happening again?
Depending of the non-conformity (related to the SBP evaluation and/or the FSC Controlled Wood evaluation) the wood coming from the supplier is downgraded to:
· Merely FSC and SBP controlled (not anymore SBP-compliant biomass)
· Non-FSC and non-SBP feedstock (which needs to be stored separately)
The opportunities for improvement are also recorded and are handled in a way that will inform the company that they can perform better if they improvement some points. After a major nonconformity, the Sustainability Manager and the Wood Supply Manager plan a meeting with the Management of Tec Pellets to discuss which measures need to be taken. Minutes of the meeting are added to the inspection report. In principle, a major non-conformity leads to a year suspension or termination of the business relation with the company. In order to lift a suspension, the company needs to prove it has solved the non-conformity in practice.
Downgrading the FSC and/or the SBP feedstock category for feedstock from a certain supplier (related to a minor non-conformity), as also a suspension or termination entails that feedstock from that company is also downgraded or undesired, if it enters the chain of custody at one of the other suppliers of Tec Pellets.
The Supply Manager will discuss such problems with the direct feedstock suppliers (working with the same company) directly to find a solution; the discussion points are added to the inspection report.

National Legislation:

-
  - The Forest Code (Law No. 17/2009) and the Nature and Biodiversity Conservation Law (Law No. 142/2008) regulate forest management and biomass sourcing, aiming to ensure sustainable use of forest resources.
  - Other relevant national regulations include laws on labor rights, land use, and environmental protection. For example, the Environmental Impact Assessment Law (Law No. 69/2000) requires assessments for certain projects that may impact the environment.
-
  - Additionally, national policies such as the National Forest Defense Plan Against Wildfires (PNDFCI) set restrictions on biomass harvesting in fire-prone areas to ensure forest sustainability and reduce wildfire risk.
- Within the SBE, ten (10) indicators were identified as Specified risk for Portugal Mainland. These specified risks are, however, well mitigatable by Tec Pellets. Moreover, forestry in Portugal has a long history and a solid framework at the level of relevant entities such as ICNF (Institute of Nature Conservation and Forests), education and training entities, as well as at the level of local and central authorities. Perception of corruption in Portugal is relatively low, as confirmed by its > 50 CPI (Corruption Perception Index) score of 56 points (2025).

-
- Five (4) indicators were identified as Specified risk for the 2 Autonomous communities of Spain evaluated, which may become Low with the applicable mitigation measures. There is a strong legal framework in the Spanish regions in scope. Tec Pellets purchases wood from community forests, all with cadastral reference and duly managed by the respective "Junta's". The supply chain of the wood purchased in Spain by Tec Pellets is short and reliable feedstock information can be gathered with the ownership and suppliers. Tec Pellets has a long and cooperative relation with the usual suppliers in Spain. Perception of corruption in Spain is relatively low, as confirmed by its > 50 CPI (Corruption Perception Index) score of 56 points (2025).

3.2 Conflicts with applicable national and sub-national legislation

- There aren't known conflicts with applicable national and sub-national legislation.

3.3 Risk Management Measures

Guidance: Please provide more details about specified risk indicators in each supply country and describe mitigation measures taken to address all specified risks associated with indicators.

Country: Portugal	
Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.1.2 Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.	
Description of the specific risk:	
Forest operations are identified in the National Report on the Implementation of Directive Habitats and Birds to present threat in 6 habitats and pressure (on 8 habitats accounting for 3.8% and 5%, respectively, of the total assessments. A similar assessment was performed, having species (except birds) in scope and the numbers do not differ much. 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 bird attributes	

with 30% of the assessed species being threatened.
Forest owners make use of voluntary instruments, such as certification schemes recognized worldwide like FSC and PEFC, or they adopt practices in line with the “guidelines for sustainable forest management”, based on the work of the Technical Committee for Standardization No. 145/IPQ (Portuguese Standard NP 4406/2003) which applies pan-European criteria for the sustainable forest management as well as operational level guidelines. Presently, more than 257 625 ha of forest were certified under PEFC scheme and 376 886 ha under FSC scheme. [1] There are, simultaneously, several private companies that have been developing initiatives in order to
promote the sustainable management of forest through the creation of forest owners’ groups willing to apply best management practices in their properties, and supporting them with preparation to apply for
the certification with independent certification bodies. Here are a few examples of these
initiatives: Abastena’s Forest Management Group, http://abastena.pt/ggfa.php with national scope and specific
helpdesks across the country.
Unimadeira, http://unimadeiras.pt/certificacao-gestao-florestal-em-grupo/ also with national scope.

Silvitec: http://www.silvitec.com/files/190.pdf South region
Terrateam: http://www.terrateam.pt
APFC: http://www.apfc.pt/areas.php?aID=56 Mora, Vendas Novas, Benavente, Salvaterra de Magos, Almeirim, Chamusca e Ponte de Sôr
UNAC: http://www.unac.pt/projetos/certificacao-florestal.html Ribatejo and Alentejo regions
In Portugal, the bodies responsible for inspection and surveillance are SEPNA and the Vigilantes da Natureza [Nature Rangers]. In some cases, the municipal authorities take responsibility for inspection themselves. At present, according to the rangers’ association, there are around 119 rangers in Portugal mainland.
APA – Agência Portuguesa do Ambiente (Portuguese Environment Agency) has 30 rangers and the CCDR - Comissões de Coordenação e Desenvolvimento Regional (Regional Commissions for Coordination and Development). Each inspection is registered, though no annual reports have yet been released.
The Special Program of the National Park Peneda-gerês (PEPNPG) is under development, through Decree-law No. 96/2017 from May 18th. The PEPNPG aims to promote the development and application
of conservation measures on several environmental attributes of the first protected area in the country (since 1971).
Several Special Planning for specific protected areas are under development or being updated: http://www2.icnf.pt/portal/pn/biodiversidade/ordgest/poap
Risk conclusion:

HCV1 – Specified Risk
As described in the in the findings above, there are identified threats and pressures from forestry activities on species and birds. The specific species that might be affected by forestry activities are identified in the report of the application of the Birds and Habitats Directive 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, a programa de gestão da biodiversidade [biodiversity management programme] (PGB).
Regarding the establishment of projects and programmes aiming to enhance the conservation status of HCV, the LIFE Programme has facilitated the development of a series of projects in
Portugal (http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.getDocs http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.getDocs), many of which

permit contracts with owners as good conservation management practice, support and awareness-raising for owners and schools, and also vertical signs of species' territorial areas. A series of documents is also produced, from
simple brochures to manuals of good practice (an example being the conservation manual for the Bonelli's eagle and the good forestry and hunting practice manual). Some projects include action plans for species conservation. Most projects have as their objective the conservation of potential HCV 1 species, being carried out by Natura2000 Network. Some NGOs, such as Sociedade Portuguesa para o Estudo das Aves
(SPEA) [Portuguese Society for the Study of Birds]), have formed working groups to monitor species, such as the Bonelli's eagle working group (GTAB) and the night birds working group (GTAN). Furthermore, various good practice manuals, leaflets and other relevant information sources are available in the public domain, published by different institutions.

HCV 2 – Low risk
Montados of cork and holm oaks Landscape classified as HCV2 has potential threats that may cause the decline of montado (biotic and abiotic factors, lack of forest management), but the measures available to protect Montados are considered effective, resulting in an increase of 2,7% of the cork oak area from 2005 to 2015. [National Forest Inventory 6] Existing safeguarding measures include:
✓ the application of current legislation (planning, projects and protection against felling). This legislation is well consolidated and disseminated by the various agents involved (owners, managers, and operators); and
✓ a network of R&D (Research & Development) dedicated to defining and operationalizing good management practices.
Furthermore, national scale management programmes have been implemented (beneficiation, afforestation, and reforestation) to recover cork oak populations, both in terms of area and in tree health. 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 stripping and pruning. This regulation is well established and promoted. It has been assimilated by the several agents involved such as owners, managers, and operators. The awareness of operators for planned forest management and the certification of sustainable forest management has been increasing in Portugal in recent years. Certified forest of cork and holm oak account for an estimated 236 000 ha. Following several surveys on the conservation status of cork and holm oak stands, several actions have been developed in order to improve forest management practices, which were promoted by the entities involved. This includes a variety of contents and formats such as codes of good practices for cork oak forests 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 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" showed an increase of 6% from 1995 to 2010, and holm oak decreased 3% in the same period.

HCV 3 – Specified risk
Referring to the data presented in image 1, 2, 3 (above) and the Information in the sectorial plan of Natura2000 and in the Third National Application Report of the Habitats Directive (2007–2012), specified risk is identified for key habitats that are subject to threats originating from forestry activities. The

Natura 2000 network database was updated in 2015 and it contains relevant information about the assessment of each habitat for each Common Importance Site. Furthermore, Portugal approved its ratification of the Convention on Biological Diversity (CBD) via DL No.21/93, June 29th, which became effective on 21st March 1994.

HCV 4 – Low risk
In Portugal there are several instruments related to the conservation of river basins, soil conservation, and protection against the risk of fire. In the case of river basins, information relating to the classification of flood plains, areas threatened by floods and other relevant information can be partially obtained by consulting areas included in the REN.
River basin plans also contain information that may be relevant, as do PROFs, especially where they refer to protection forests. For information about erosion control it is essential to consult documentation relevant to the risk of erosion. Some of this information is contained in the REN, which identifies, on a scale of 1:25.000, areas at high risk of erosion, as well as zones of instability. Areas of high fire risk are identified in fire risk maps (ICNF) and in municipal forest fire plans.
Within the national context, the structure of property, being extremely fragmented, reduces the dependence on ecosystem services and means this is not critical. Furthermore, the probability of forest management activities having a significant impact on the same service is negligible.
Several legal instruments safeguard the functions of protection and regulate intervention in these areas. Examples of this are the Water Law [11], river basin plans (PBH) [12], public waters and dams planning (POAAP) [13], National Ecological Network [14], the Land law [15], etc.
Not applicable, as no HCV4 is considered to exist at this scale.

HCV 5 – Low risk
Not applicable to Portugal. In Portugal, the use and enjoyment of common forest land is regulated (Lei dos Baldios [common land law]
– Decree-Law No. 165/2015, 17th August). At present, this land is not indispensable to provide for the basic needs of the adjacent communities.

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.

Mitigation measure:

Tec Pellets's Enviromental Impact Assessment
FSC or PEFC Forest management certificate public reports
Forest Management plan as PGF, PUB, PEIF
Regional, publicly available data from credible third parties
FSC Supplier audit
Records of Tec Pellets´ field inspections

Monitoring and outcomes:

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

(Natura 2000). There are also smaller areas or biotopes important to biodiversity, or classified as priority species' habitats. Tec Pellets identifies and addresses potential threats to forests and other areas with high conservation values (HCVs).
Tec Pellets (contractually) ensures:
• mapping of the harvesting plot,
• owner rights,
• harvesting according to the technical rules sustainable forest management,
• best silvicultural practices, respecting environmental and safety rules, cleaning of waste from plantations
• tree species (no genetically modified trees)
The feedstock suppliers evaluate every plot before the harvesting operations begin. Tec Pellets inspects the suppliers and harvesting. Tec Pellets keeps records of field inspections and monitoring results.

HCV 1 – Species diversity
There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm species diversity. Species diversity is evaluated and recorded before harvesting operations commence. Caution and best practises are applied. Special attention is given to the National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity Areas (IBAs).

HCV 3 – Ecosystems and habitats
There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm ecosystems and habitats. In these situations, the supplier Tec Pellets completes to evaluate the environmental impacts (on Ecosystems and habitats) of the forest operations (before the forest operations commence). Caution and best practises are applied. The forest specialist of Tec Pellets checks the environmental assessment and does field inspections. The checks and inspections are recorded.

HCV 4 – Critical ecosystem services & HCV 5 – Community needs
This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated for each region by the Regional Forestry Management Plan (PROF). This point is evaluated and recorded before the forest operations commence. Caution and best practises are applied. Clear cuts are reduced to the maximum size indicated in the PROFs, or even further, if the environmental aspects, such as hillslopes, require special attention. There are no indigenous people in Portugal, but in it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). Building fences around forests is most of the time undesirable.

HCV 6 – Cultural values
This is a seldom but specified risk. Forest stand values related to cultural aspects could be overlooked. Tec Pellets strives to adapt its forest operations to respect recreational and cultural values related to the area. For example, by conserving old trees with special recreational value along pilgrim routes, or close to cultural sites. Tec Pellets does not acquire wood harvested from forest areas where traditional, community or legal rights are not respected

Country: Portugal	
Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
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.	
Description of the specific risk:	
Most environmental legal requirements relating to forestry planning activities are included in Portugal's forestry legislation. In the administrative process of forest planning or forestation projects, the competent entities are centrally consulted by the national forest authority (ICNF). Management Plans including Forest Intervention Zone (ZIF), Community Use Area Plan (PUB) and Intervention Special Plan (PEIF) have been in place since 2000, and (to 2013) cover about 44% of Portuguese forest area. In private areas, forest plans are mandatory for all forest areas greater than a certain area (from 25 ha to 100ha, depending on the region); however lack of this requirement has not resulted in any known penalties. In public areas, forest plans are obligatory for all areas (state forest, municipalities, etc.); however numbers from 2012 indicate that only 43% of these forests have the PGF. As of 2015, it is an objective of the forest authority ICNF that 100% of its areas should have a PGF by 2017 (for all public areas). In communitarian forests plans are obligatory for all areas however 2015 data show that Forest Plans (PUB) are in place in only 60% of cases. Forest Management Plans should include identification of most part of potential impacts and measures to minimize them. However, it is not a specific tool used to monitor environmental impacts, on FMU Management Plans. Instead there are the Regional Forest Plan covering all country which contains the most part of recommendations and tools to address forest impacts. Regional Forest Management Plans (PROF's) include monitoring specifications related to sustainability of forest resources, detailing all biotic and abiotic factors but also soils, and a list of potential impacts. Best practices are included for each forest management program. First generation PROF's were approved ten years ago, and they are all in a revision, being expected to be approved soon. No clear cuts are allowed, sustainable and best practices are mandatory by the authorities, specially under Portuguese Natura 2000 law. The national nature conservation system is based on legal protection regimes (such as The National network of protected areas, Natura 2000 network, etc.), which limits the activities	

allowed in these areas. There is also an inspection authority, SEPNA, and a strong system of protection (effective protected áreas and legislation) in place. Even so Tec Pellets is concerned and the Manager of the Certificate or the Responsible of Reception carries out audits to suppliers (Beginning of the year or part 1 of the process) by documenting them in the 'CW Vendor Audit' report cdr04. The procedures are in document 'Tec Pellets DDS and FSC manual' (please see attached). The supplier agrees to alert Tec Pellets, if it changes the source of the supply área. As a result, this control has made it possible to have a better understanding of all the traceability of raw material and this is reflected in the fact that there are no problems with suppliers, raw materials or land disputes. Larger scale activities are obliged to address a legal impact assessment and monitoring processes so an Environmental Impact Assessments must be done to conversions above 50 ha or reforestations with fast growth species above 350 ha.
These figures are lower when they occur inside Sensitive Areas (Protected, Classified and Monumental Areas), where it is obligatory to have this approved EIA if conversion to non-forest uses involves an area greater than 10 ha or forestation/ reforestation is taking place with fast-growing forest species covering over 70 ha. In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification) an additional assessment of environmental impacts is made and recorded before harvest. Tec Pellets always completes an 'Environmental Impact Assessment'. Therefor it is concluded that the impact assessment is covered by various tools and it is considered as specified risk.

Mitigation measure:

Tec Pellets's Enviromental Impact Assessment
Manifest
Regional Forest Plan (PROF)
Tec Pellets DDS
FSC manual
CW Vendor Audit' report cdr04
Records of Tec Pellets field inspections
SNAC framework
Environmental Impact Assessment

Monitoring and outcomes:

Tec Pellets's Enviromental Impact Assessment
Manifest
Regional Forest Plan (PROF)
Tec Pellets DDS
FSC manual
CW Vendor Audit' report cdr04
Records of Tec Pellets field inspections
SNAC framework
Environmental Impact Assessment

There is a specified risk on this point, mainly in case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification)
Tec Pellets always completes its 'Environmental Impact Assessment' (EIA). The EIA evaluates:
• The possible economical, ecological and social impact of the forest operations including its surroundings. Harvesting operations can be changed to avoid negative impacts.
• The quality of the management (by the land owner) prior to harvesting and regeneration plan. Tec Pellets monitors the plots to be harvested intensively and checks the EIA of its feedstock suppliers and the

performed Risk Mitigation Measures.
Tec Pellets does not classify all feedstock coming from the 'SBE approved suppliers' as 'SBP-compliant feedstock'. For example, if an estate has been poorly managed by a forest owner in the past, or does not comply with the SBE requirements on forest regeneration, Tec Pellets does not upgrade feedstock to 'SBPcompliant feedstock.

Country: Portugal	
Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.2 Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.	
Description of the specific risk:	
Key ecosystems and habitats with high concentration values are identified as classified or protected areas at national and/or EU level (Natura 2000 sites) as described in indicators of high values. National summary of the implementation of the Habitats Directive (2007-2012) provides relevant information about the conservation status and evolution of key habitats, including the source of threats and pressures for each designated habitat. The complete data set necessary to produce the summary is available on Central Data Repository (EIONET) and can be consulted using this link: Report on the implementation of the Habitats Directive (2007-2012) The Fifth National Report to CBD shows that Portugal is acting to reduce threats to biodiversity and meet the Aichi Biodiversity Targets by 2020 – the country is implementing several initiatives directed to each Target, which are described in detail in this report, however, several issues are identified that need to be addressed over the next years, such as improvements on the: i) implementation of strategic guidelines namely the National Strategy for Nature and Biodiversity Conservation; ii) integration of biodiversity issues in the different sectors and policies; iii)classification, inventory, ecological characterization and monitoring of biodiversity; iv) engagement of the private sector,	

v) biodiversity valuation process and its integration on public accounting,
vi) management efficiency of the conservation status of threatened species (including ex situ),
vii) control and elimination of exotic invasive species,
viii) habitat restoration,
ix) enforcement actions related to crimes against biodiversity and
x) promotion of active participation of civil society in biodiversity issues.
By analysing this report, it can be seen that Portugal has taken several measures to achieve CBD's goals, concluding from the need for a greater integration of biodiversity issues in different sectors and policies and the greater involvement of the private sector in this area.
Reference should be made to the development of the Biodiversity Information and Monitoring of northern Portugal (SIMBioN), developed by the ICNB, IP, and by CIBIO, which had, among its objectives, to provide the ICNB, IP with a tool to support biodiversity management and contribute to scientific knowledge and public dissemination of biodiversity.
Conclusion: The overall conservation status trends of habitats, as well as the number of attributes from which the conservation trends are unknown imposes the risk to be assessed as specified for priority habitats and ecosystems as per Natura 2000 network listing.

Mitigation measure:

Before harvesting operations commence the plot is evaluated on this point and records are kept.
Best forestry practises are applied. Maps can be obtained from 'Reserva Ecológica Nacional' (REN). Tec Pellets completes an 'Environmental Impact Assessment' (EIA) from all feedstock suppliers. The Tec Pellets' EIA addresses the specified risk on soil degradation: best practices have to be applied (Tec Pellets' Internal Instruction on Best Management Practices IT-04).
• Low intensity of forestry, selective cuttings and small clear cuts of maximally 5 ha were needed considering the soil and groundwater level.
• Regeneration focusses on tree species that maintain or improve soil quality
• Leave nutrients in the forests, mainly the green fraction of forest residues (on the other hand other forest residues need to be cleared to prevent forest fires.
Do not operate near-water areas (called the National Ecological Reserve).
For example, on dry locations (elevated grounds or on slopes) selective cuttings are required, because the ground gets less direct impact of the sun and the forest and (natural) regeneration can maintain soil quality.
On other locations (small) clear cuts can sometimes have the advantage that several kinds of broadleaved trees regenerate naturally, what improves soil quality. After clear cuts, the groundwater level can rise, what sometimes is an advantage.

Monitoring and outcomes:

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

• mapping of the harvesting plot,
• owner rights,
• harvesting according to the technical rules sustainable forest management,
• best silvicultural practices, respecting environmental and safety rules, cleaning of waste from plantations
• tree species (no genetically modified trees)
The feedstock suppliers evaluate every plot before the harvesting operations begin. Tec Pellets inspects the suppliers and harvesting. Tec Pellets keeps records of field inspections and monitoring results.

Country: Portugal	
Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced	
Description of the specific risk:	
Soil quality in Portugal has not a positive evolution since historic times as the major part of Mediterranean region. Following FAO. 2013. State of Mediterranean Forests. Rome. http://www.fao.org/docrep/017/i3226e/i3226e.pdf '(…)45 percent of European soil is degraded and depleted of organic matter and noted that the problem was particularly pressing in the Mediterranean region. Degradation can involve erosion, settling, the loss of organic matter, salinization, landslides, the loss of soil biodiversity, acidification, desertification and subsidence. All these problems could be exacerbated by climate change. (…) Figure 1.24 shows that there were considerable differences between countries, with losses of arable land greater than 25 percent in Croatia, Malta, Portugal and The former Yugoslav Republic of Macedonia. From 1992 to 2009. At national level, following Desertification Convention 5.1 Desertification Susceptibility (https://dre.pt/application/file/65985917): for Portugal, it can be concluded that, in the last half a century, the area of susceptibility to desertification clearly expanded in the mainland territory particularly in the period 1970-2000, and then for the 1980-2010 series, and is even more relevant as expansion for the 2000-2010 series, which corresponds to the most recent period analysed, with annual droughts particularly	

severe. It is known, therefore, that aridity, then susceptibility to desertification, affected, in the last three decades (1980-2010), 58% of the territory of the Continent, when in the series of 1960-1990 this affectation was of 36%, being included in this context mainly the areas of the South and the Interior Center and North. In the climatic series of the last decade, about 63% of the mainland territory is 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 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 plantations of intensive softwood and hardwood plantations in sensitive soils with erosion risks contributing to expand the susceptible areas to desertification. The legal and regulatory framework includes restrictions and safeguards for soil use and mobilization operations with particular emphasis on sensitive, steep and near-water areas (called the National Ecological Reserve). However, as shown by above cited studies and data, reality at ground level does not reflect the application of these restrictions. Also forest residues removal from the field is regulated in Portugal, so loggers and owners have some legal obligations, related with both fire and phytosanitary policies. These obligations are depending on species, areas, seasons and regions. Process of forest residue treatment is commonly included on Best Practices but also on wood supply contracts, and forest land leasing. According to the available information, it is considered that on small size forest properties risk is low, as small scale also reduces the threats and risks involved with soil operations. Therefore, and using a precautionary approach, it is considereed specified risk for soil quality of sourcing biomass feedstock on:

• forest lands located on desertification susceptible area according to Forest Services (ICNF) cartography and

• with size above minimum size required for Forest Management Plan.

Mitigation measure:

Before harvesting operations commence the plot is evaluated on this point and records are kept. Best forestry practises are applied. Maps can be obtained from ‘Reserva Ecológica Nacional’ (REN). Tec Pellets completes an ‘Environmental Impact Assessment’ (EIA). The Tec Pellets’ EIA addresses the specified risk on soil degradation: best practices have to be applied (Tec Pellets’ Internal Instruction on Best Management Practices IT-04).

• Low intensity of forestry, selective cuttings and small clear cuts of maximally 5 ha were needed considering the soil and groundwater level.

• Regeneration focusses on tree species that maintain or improve soil quality

• Leave nutrients in the forests, mainly the green fraction of forest residues (on the other hand other forest residues need to be cleared to prevent forest fires. Do not operate near-water areas (called the National Ecological Reserve). For example, on dry locations (elevated grounds or on slopes) selective cuttings are required, because the ground gets less direct impact of the sun and the forest and (natural) regeneration

can maintain soil quality. On other locations (small) clear cuts can sometimes have the advantage that several kinds of broadleaved trees regenerate naturally, what improves soil quality. After clear cuts, the groundwater level can rise, what sometimes is an advantage. Tec Pellets checks the EIA of its suppliers. Poor soil quality can lead to erosion and other problems.
Monitoring and outcomes:
Tec Pellets's Enviromental Impact Assessment Manifest Evaluation of environmental impacts Erosion and desertification programs and maps (REN)

Country: Portugal	
Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.	
Description of the specific risk:	
Tec Pellets considers the landscape where the harvest operations are executed, including hill slopes and streams that can overflood and demands the same from its feedstock suppliers. Clear cutting (of several ha) is avoided in areas where all conditions are at high risk for soil erosion. In these cases, is followed the ICNF Handbook for forest best practices: 'In the areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.' These best practises are required to comply with the requirements of SBE program. Water legal framework includes water law and national and hydrographical basin plans, being Portuguese Environment Agency the	

national authority. Other authorities like SEPNA (National Republican Guard) and Nature Guards and Vigilantes, also have competencies of water resources inspection actions. Tec Pellets 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 hectares is defined as the maximum clearcuttings area as defined on Regional Forest Plans. Also some Municipalities may have municipal regulations about clearcutting fellings. So it is considered there are specified risks that feedstock is sourced from forests when clear cuttings are done over a specific size area. This specific area is defined regionally by each Regional Forest Plan (PROF), as the maximum clearcutting area or the size of even aged monoespecific forest stand.
However, our suppliers never intervene in water zones. This is confirmed by our forestry specialist who is constantly on the ground to accompany our suppliers.
This is considered a specific risk.

Mitigation measure:

Tec Pellets studies data (from publicly available information, researches and programs) for its harvesting teams on ground water, surface water and steams on identifying and addressing potential threats, HCV 1 – Species
diversity). This information is given to all feedstock suppliers.
2) Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water.
3) The harvesting teams inspect visually the plot and the hill slopes and streams in the surroundings and report on the results. Tec Pellets completes its 'Environmental Impact Assessment' (EIA).
4) Best practises are used (internal document IT-04). Best practices include forest management measures that protect the plot against too high or low ground water levels, and erosion (surface water moving to quick or too slow). Related to a too quick runoff of surface water, streams in the surroundings are considered. The landscape where the harvest operations are executed is considered, including hill slopes and streams that can overflood. In areas vulnerable to water damage, the maximal contiguous clear cut area is 5 ha.
5) Tec Pellets monitors the harvesting operations of its feedstock suppliers and checks the submitted EIAs. These best practises are required to comply with the SBE program requirements.
The best practices as stated in point 4, and the Environmental Impact Assessment in point 3, follow the 'ICNF Handbook for forest best practices': 'In areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.'

Monitoring and outcomes:
Tec Pellets's Enviromental Impact Assessment Internet research GIS maps of HCV areas Regional, publicly available data from a credible third party as FSC and PEFC reports Game management plans Regional Forest Plans Forest Operating Procedures Publicly available information on the protection of the values identified Aerial photos Assessment at an operational level of measures designed to minimise impacts on the values identified Erosion and desertification programs and maps FSC Manual DDS Tec Pellets

Country: Portugal	
Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
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.	
Description of the specific risk:	
Biodiversity is included on fundamental environmental law on its article 10th (Law 19/2014 14/04) and is fully covered by biodiversity and nature conservation legal framework. In Continental Portugal the protected areas and Natura 2000 sites covers 2.017.803 ha meaning 20.47% of the territory. As on Convention on Biological Diversity: 'Portugal's National Biodiversity Strategic Action Plan NBSAP was based on	

the following ten guiding principles: an overall higher level of protection; the sustainable use of biological resources; prevention; precaution; recuperation; responsibility; integration; participation; international cooperation and decentralization. The NBSAP then lists 10 fundamental strategies that form the basis of their action plan, which include: to promote 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.' (...) About 3,600 species of plants occur in Portugal. There are 69 taxa of terrestrial mammals, a total of 313 bird species, of which around 35% are threatened in some ways, and 17 amphibian and 34 reptile species that occur in Portugal. Some of the main threats to the biological diversity of Portugal include: alteration or destruction of habitats; pollution; overexploitation; invasive alien species; urbanization and fires. It is considered that a significant part of biodiversity is covered 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.
Mitigation measure:
1) Tec Pellets prepares (publicly available) data on biodiversity researches and programs, red lists of Portugal, CITES, etc. This information is given to all feedstock suppliers. 2) Feedstock suppliers are trained to recognise the protected biodiversity and how to conserve them. These species are often related (it can be indicator species) to key ecosystems which need conserved (previous indicator). 3) The harvesting teams inspect visually the plot, make photos and report on the results. Endangered flora and fauna are indicated on the harvesting maps. Tec Pellets completes its 'Environmental Impact Assessment' (EIA). 4) Best practises are used (internal document IT-04). Best practices include measures to conserve and increase biodiversity (for example, standing dead wood, prescribed burning and other disturbances improving the conditions for endangered species flora and fauna). 5) Tec Pellets monitors the harvesting operations of its feedstock suppliers and checks the EIA of its suppliers.
Monitoring and outcomes:
Tec Pellets's Enviromental Impact Assessment

Country: Portugal	
Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim

	☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.1.1 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.	
Description of the specific risk:	
Although this risk is addressed in the general legal framework of Portugal, Tec Pellets is of the opinion that this indicator needs additional attention as a 'safety net', in order to perform well on other indicators, which are categorised 'specified risk'. Because of the very large number of land owners with extremely small forested properties in Portugal, and, for example, the lack of cadastral in some regions of the country, Tec Pellets actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before the harvesting operations commence. The procedures assess the work of Tec's harvesting teams and feedstock suppliers. The feedstock suppliers are also required to actively implement a complaint procedure and keep records (which are checked). Tec Pellets takes seriously any complaint of any person or organisation considering harvesting operations. This also improves performance on respecting local interests (HCV 5) and cultural values (HCV 6). Grievances and disputes, including those relating to tenure and use rights, forest management practices and work conditions in Portugal are regulated by laws. Legal framework includes the Portuguese Constitution, the Labour Code and other specific regulations. The detailed procedures, duties and responsibilities of involved persons are defined in both legislation and other legal regulations. Legislation and justice system provides a route for appeal should people or companies be dissatisfied with the outcome of the dispute resolution process. Land tenure and use rights are object of Civil Code, being land tenure included on private property rights on Constitution article 62th. These rights include communitarian forests and also Forest Renting/leasing contracts. Disputes about forest management practices would involve forest authorities ICNF on both public and private forests. Specific forest management practices should be included on renting and forest services contracts as harvesting contracts. The disputes related to work conditions shall be resolved according to administrative procedures and labour legislation. Trade unions may help in disputes over work conditions. Tec Pellets have an internal procedure for resolving grievances and disputes 'aquisiçao de materia prima': Firstly our specialist need to collect this information: • Identification of the plot / area (building permit); • Identification of the owner (citizen card); • Proof of the relationship between the seller and the land in question; • Mapping; • Formalization of the business through a purchase and sale agreement between the parties;	

• Invoice or self-invoice if the seller can not do it. In addition to the information collected, at least one site visit is always conducted with the owner or his representative, where information is taken about: • Type of vegetation / species; • Ground boundaries / Confrontations; • Accesses. This procedure also indicates the resolution of grievances and disputes, including those relating to tenure and land use rights to forest (or land) management practices and working conditions. Whenever any of the above occurs, the technical responsible is contacted and called to the location whenever necessary. In the case of Work Accidents, Theft and Forest Fires and after ascertaining the severity of the situation are contacted the competent entities, as well as the Department of Hygiene, Security of the company. In case of Failures or maintenance, the means are put on the ground in order to solve the situation. These means can be from the company itself or from the company representative of the equipment. In case of Complaint related to court, the person in charge of the company meets at the place of court with all parties involved (seller / claimant or other). When the facts are proven and all parties are heard, the responsible person decides to adjust the business according to what happened. The closing of the complaint can be done in two ways: • If the claimant understands the purchase, the remaining portion. That is, a new buying process is opened where one makes the acquisition of what was cut by lapse together with what is standing; • The claimant does not accept to sell the remaining portion. The wood cut is evaluated and paid to the owner considering the occurrence as a payment of damages to the owner.
Mitigation measure:
Tec Pellets's Enviromental Impact Assessment Manifest Overall evaluation of potential impacts of operations on forest ecosystem health and vitality Assessment of potential impacts at operational level and of measures to minimise impacts Regional Best Management Practices Supply contracts Interviews with local people
Monitoring and outcomes:
In this context, SBE, since 2018, all monitoring, including the Environmental Impact Assessment' (EIA), completes by suppliers and Tec Pellets showed that there was no conversion to plantation (after 2008). Monitoring indicates that the majority of the stands of Pinus Pinaster, Eucalyptus and Pinus Pinea are originated from afforestation activities for timber production and non-timber products and, thereby, are not considered as natural forest.

Country: Portugal	
Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim

	☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.1.8 Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.	
Description of the specific risk:	
Tec Pellets have two forestry specialists. One of them is educated in Health and Labor Safety. Both have a university degree of the Operations Center and Forest Techniques (COTF), a center for forestry professional training under the direct management of the ICNF and has as main objective the training and professional enhancement, with special emphasis with regard to forestry operations. He has a decision power in forestry operations, use of machines, methods and techniques used, alawys giving due and necessary atention to comliance with safety, hygiene and health at work. All our suppliers provide training and qualifications for the management of forestry machines. NOTE: Portugal is a country with an old tradition on forests activities. University education is provided on the technical side with several colleges in the country. There are specific courses for field machinery operators but it is planned to be updated on the National Catalog of Formations a new training on Forestry Machinery Technician not yet available. In Portugal , the number of accidents in forest labor is high and the authorities relate that to the low education and training of workers Under this information the indicator is assessed as specified risk.	
Mitigation measure:	
Tec Pellets trains its personnel on all relevant aspects and demands the same from its feedstock suppliers. This is not always covered sufficiently by legislation. During the feedstock supplier's office inspections of Tec Pellets, are checked: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits. Tec Pellets' monitoring procedure includes 2 checklists: • Feedstock suppliers (CL 02 - Check List Documental verification Suppliers); • Harvest operations (CL 01 - Check List Forest Exploration Suppliers)	
Monitoring and outcomes:	
Records of Tec Pellets field and company inspections Qualifications of employees at Tec Pellets Suplliers Training course Existing legislation Level of enforcement	

Tec Pellets' monitoring procedure includes 2 checklists:
• Feedstock suppliers (CL 02 - Check List Documental verification Suppliers);
• Harvest operations (CL 01 - Check List Forest Exploration Suppliers).

Country: Portugal	
Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.	
Description of the specific risk:	
Tec Pellets has a rigorous control system and adequate procedures on the health and safety of fforest workers. Tec Pellets (contractually) demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring inspections. Portugal has ratified convention ILO 184 on 2012, about agriculture health and safety in agriculture which includes forestry activities with exception of industrial forest harvesting. ILO forestry H & S code includes some of forestry activities on 'high risk operations' such as climbing above 3m, but in Portuguese legislation any forestry activity is included on legal list of 'High Risk Activity'. Work legislation aims to create a safe and healthy work environment at all times in accordance with society's technical and social development. Historically, a risk under this category has been present based on a low level of compliance with the requirements for accreditation and/or professional training. In recent years, many obligations have changed and private entities have started to develop courses for some activities of forest workers (for example for chainsaw, machinery or phytopharmaceuticals users). Legal authority for work health and safety is ACT (Working Conditions Authority), who as an inspective role on the ground. ACT promoted the development of the Strategic Action Plan for Agriculture, livestock and Forestry sectors from 2012 to 2015 producing the assessment report for this initiative (see report). From the execution of this plan 6 informative leaflets were produced as well as 8 instruments for the application of the respective law	

framework (checklists). The plan involved the participation of several social partners as well as public partners which can be consulted in the report. An estimate of 9000 employers and employees were reached throughout the development of this plan as well as 560 associative managers and technicians.
The plan also comprised an inspective component materialized on 1700 inspections over 3 years reaching to 10 000 workers.
Tec Pellets have a specialist in hygiene and safety at work. This specialist has a responsibility to evaluate all situations that compromise workers. Also all employees of the company, including the forestry specialist, have annual internal and external training (operations by certified companies) on workers' safety and health. The personal protective equipment is also delivered to all employees and is sensitive. It also has internal and external formations in forestry machinery and works in height. The tec pellets uses high quality equipment for better management and safety of the work.
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.'

Mitigation measure:

Tec Pellets has a rigorous control system and adequate procedures on the health and safety of fforest workers. Tec Pellets (contractually) demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring inspections. During the feedstock supplier's office inspections of Tec Pellets are checked: the training records, workforce, and the hiring of specialists in forest security. Protective equipment (according to the applicable law) and knowledge of personnel is inspected during site visits.
Tec Pellets' monitoring procedure includes 2 checklists:
a) Feedstock suppliers (CL 02 - Check List Documental verification Suppliers);
b) Harvest operations (CL 01 - Check List Forest Exploration Suppliers).
Tec Pellets ensures:
• Accredited professional courses (chainsaws, machinery operator, phytopharmaceuticals applicator) card and/or specific certificates of training sessions.
• Records of H& S procedures and Personal Protection Equipment distribution by the organization.
• Record of machinery safety tools and equipments on original documental register.

Monitoring and outcomes:

Tec Pellets' monitoring procedure includes 2 checklists:
• Feedstock suppliers (CL 02 - Check List Documental verification Suppliers);
• Harvest operations (CL 01 - Check List Forest Exploration Suppliers).
Tec Pellets ensures:
• Accredited professional courses (chainsaws, machinery operator, phytopharmaceuticals applicator) card and/or specific certificates of training sessions.
a. Records of H& S procedures and Personal Protection Equipment distribution by the organization.
b. Record of machinery safety tools and equipments on original documental register.

Country: Portugal

Area/sub-scope: Mainland	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.1.9 Mechanisms shall be in place for resolving grievances and disputes in the workplace.	
Description of the specific risk:	
Although this risk is addressed in the general legal framework of Portugal, Tec Pellets is of the opinion that this indicator needs additional attention as a 'safety net', in order to perform well on other indicators, which are categorised 'specified risk'. Because of the very large number of land owners with extremely small forested properties in Portugal, and, for example, the lack of cadastral in some regions of the country, Tec Pellets actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before the harvesting operations commence. The procedures assess the work of Tec's harvesting teams and feedstock suppliers. The feedstock suppliers are also required to actively implement a complaint procedure and keep records (which are checked). Tec Pellets takes seriously any complaint of any person or organisation considering harvesting operations. This also improves performance on respecting local interests (HCV 5) and cultural values (HCV 6). Grievances and disputes, including those relating to tenure and use rights, forest management practices and work conditions in Portugal are regulated by laws. Legal framework includes the Portuguese Constitution, the Labour Code and other specific regulations. The detailed procedures, duties and responsibilities of involved persons are defined in both legislation and other legal regulations. Legislation and justice system provides a route for appeal should people or companies be dissatisfied with the outcome of the dispute resolution process. Land tenure and use rights are object of Civil Code, being land tenure included on private property rights on Constitution article 62th. These rights include communitarian forests and also Forest Renting/leasing contracts. Disputes about forest management practices would involve forest authorities ICNF on both public and private forests. Specific forest management practices should be included on renting and forest services contracts as harvesting contracts. The disputes related to work conditions shall be resolved according to administrative procedures and labour legislation. Trade unions may help in disputes over work conditions. Tec Pellets have an internal procedure for resolving grievances and disputes 'aquisição de matéria prima':	

Firstly our specialist need to collect this information:
• Identification of the plot / area (building permit);
• Identification of the owner (citizen card);
• Proof of the relationship between the seller and the land in question;
• Mapping;
• Formalization of the business through a purchase and sale agreement between the parties;
• Invoice or self-invoice if the seller can not do it.
In addition to the information collected, at least one site visit is always conducted with the owner or his representative, where information is taken about:
• Type of vegetation / species;
• Ground boundaries / Confrontations;
• Accesses.
This procedure also indicates the resolution of grievances and disputes, including those relating to tenure and land use rights to forest (or land) management practices and working conditions.
Whenever any of the above occurs, the technical responsible is contacted and called to the location whenever necessary. In the case of Work Accidents, Theft and Forest Fires and after ascertaining the severity of the situation are contacted the competent entities, as well as the Department of Hygiene, Security of the company. In case of Failures or maintenance, the means are put on the ground in order to solve the situation. These means can be from the company itself or from the company representative of the equipment.
In case of Complaint related to court, the person in charge of the company meets at the place of court with all parties involved (seller / claimant or other). When the facts are proven and all parties are heard, the responsible person decides to adjust the business according to what happened. The closing of the complaint can be done in two ways:
• If the claimant understands the purchase, the remaining portion. That is, a new buying process is opened where one makes the acquisition of what was cut by lapse together with what is standing;
• The claimant does not accept to sell the remaining portion. The wood cut is evaluated and paid to the owner considering the occurrence as a payment of damages to the owner.

Mitigation measure:

Tec Pellets' 'Procedimento para aquisição de matéria prima'
Existing legal systems
Level of enforcement
Forest Best Management Practices

Monitoring and outcomes:

Tec Pellets' 'Procedimento para aquisição de matéria prima'
Existing legal systems
Level of enforcement
Forest Best Management Practices
Renting and harvesting contracts

Country: Spain

Area/sub-scope: Galicia and Castilla y León

Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced	
Description of the specific risk:	
The European Court of Auditors (ECA) research indicates that up to 44% of Spain runs a great risk of soil erosion. According to JRC Science for Policy report "Condition of agricultural soil: Factsheet on soil erosion", 2017, Soil degradation by water erosion is particularly significant in Spain (3,7 t/ha per year) in years 2000-2012. This indicator is classified as Specified risk of erosion, desertification and loss of nutrients in the forests.	
Mitigation measure:	
Desk assessment on soil quality and train/inform suppliers of the best forestry practices applicable to soil protection, namely: - Where needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha shall be planned. - 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.	
Monitoring and outcomes:	
Tec Pellets evaluates the impacts of its operations related to soil erosion, desertification and loss of nutrients through the implementation of its Manual of good forestry practices and site visits. If a negative result is concluded, the feedstock from such site shall be not considered as SBP-compliant feedstock and additional training and follow-up shall be made with the respective supplier.	

Country: Spain
Area/sub-scope: Galicia and Castilla y León

Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.	
Description of the specific risk:	
In Spain, one of the measures established is the respect for the banks and watercourses, as well as the impossibility of stump removal, in order to ensure the grip of the land and possible effects on the water. However, for forest origin areas of the biomass with slope(s) over 30% it is considered that there the risk of this indicator may be Specified.	
Mitigation measure:	
As a general mitigation measure, Tec Pellets will only accept biomass from felling areas with a slope of more than 30%, if such forest areas have approved Management Plans by the competent authorities. In any case, for biomass from areas with a slope of over 30% Tec Pellets will identify the elements to be protected with respect to the effect on water so these can be protected during harvest operations. These measures shall be duly documented. Additionally, Tec Pellets trains/inform suppliers of the best forestry practices applicable, which are identified in the best practices manual. This manual sets out basic protection measures such as respect for watercourses and riparian vegetation, respect for wetlands and small water springs and, in the case of the existence of water resources, physical and chemical alterations to water and watercourses are to be avoided, respecting areas of public hydraulic domain and avoiding the dragging of materials due to erosive processes.	
Monitoring and outcomes:	
Visit the site during or after conclusion of harvesting operations. The control system for feedstock includes regular follow-up of suppliers and inspections to suppliers harvesting operations to check if harvesting is made according to best practices, namely for this indicator if in areas vulnerable to water damage, the maximal contiguous clear-cut area is 5 ha. Harvested sites and surroundings (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. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its	

mitigation measures shall be reviewed. Feedstock from felling in areas with a slope of over 30% that have not an approved Management Plan, are not accepted by BSL as SBP-compliant feedstock.

Country: Spain	
Area/sub-scope: Galicia and Castilla y León	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.2.11 The impacts of natural processes such as fires, pests and diseases shall be managed.	
Description of the specific risk:	
Forest fires: Although forest operations such as thinning and clearing have a positive impact on forest fire prevention by reducing the density of biomass in the forest cover, and forest operations itself are not considered a relevant cause of forest fires, the risk is identified as specified in private forest areas and as low in public forest areas. Pest and diseases: Low risk is identified for the management of pests and diseases.	
Mitigation measure:	
- Desk assessment looking for if the forest area complies with the established obligations in each Autonomous Region regarding the prevention and defense against forest fires (Prevention Plan, approved Management Project/Management Plan) - Best forest practices. Compliance with the law (drawing up a prevention plan, etc.) is ensured before forest operations start by the harvesting teams /company.	
Monitoring and outcomes:	
Visual inspection of the harvesting operations, aiming to check if the harvest teams have all the required	

means available, specifically in high fire risk periods, and if legal established restrictions are considered.
If the harvested areas do not have a recognized by authorities' prevention and defense against fires plan, before harvesting operations start, Tec Pellets does not accept the respective material as SBP-compliant feedstock.
If the harvesting teams do not comply with the legal established obligations and cannot implement forest fire fighting measures accordingly, Tec Pellets does not accept the respective material as SBP-compliant feedstock.

Country: Spain	
Area/sub-scope: Galicia and Castilla y León	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☒ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.	
Description of the specific risk:	
This indicator is identified as Specified risk due to the inherent risk of jobs in the forests.	
Mitigation measure:	
Tec Pellets has a control system and adequate procedures related to health and safety of forest workers and demands the same from its feedstock suppliers. Tec Pellets suppliers are required to be qualified and approved before performing any operations to Tec Pellets. Tec Pellets suppliers' qualification process includes checking of: - Work accidents Insurance and health aptitude forms - Social Security responsibilities - Workers training on health and safety - Health and safety procedures - Records of Personal Protection Equipment (PPE's) delivered to workers - Records of machinery safety inspections.	

Monitoring and outcomes:
Site visits allow Tec Pellets to monitor supplier's commitment to health and safety requirements. This visits to suppliers allow to check: - Use of PPE's - Medical kit availability and conformity - Fire extinguishers availability and conformity - Respect of safety distances - Level of technical and best practices knowledge of personnel. If no-conformities are found, more frequent site inspections are required to that supplier, until closure of the NC and confidence on supplier's performance is restored.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 11 Sep 2026

Biomass Producer's stakeholder engagement end date: 11 Oct 2026

Total number of stakeholders contacted: 94

Give a general description of the process of Stakeholders Engagement, including stakeholders contacted, method of communication and a summary of the comments received:

In September 2026, a stakeholder consultation takes place, covering the SBR, which includes two supply bases: Portugal and Spain (in two Autonomous Communities). A total of 44 stakeholders consulted in Portugal and 50 stakeholders consulted in Spain. The process for stakeholder consultation consists of sending direct emails to various stakeholder categories, including state institutions, local NGOs, authorities, government bodies, forest owners` associations, environment, social and labor, and academic and research institutions.

The first stakeholder consultation of Tec Pellets SBR was carried out in September 2017, involving 47 stakeholders and leading experts in nature conservation and forestry. In 2021 79 stakeholders were consulted on August 13 with a deadline of submitting comments by October 18, 2021.

4.2 Response to stakeholder comments

5 Report updates and approval

This document is: Updated SBR (surveillance audits/scope-change audits)

Summary of changes: N/A

Name	Tiago Reis
Title	Management representative
Date of report approval	25 Sep 2025

Annex 1: Detailed findings for Supply Base Evaluation indicators

Portugal Mainland	Indicator
1.1.1	Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
Supply Base Verifiers	Delivery notes, felling manifests (MCA), invoices, among other legal documents. • The scope is defined and justified. • Maps to the appropriate scale are available. • Key personnel demonstrate an understanding of the supply base. Delivery notes, felling manifests, invoices, among other legal documents. Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) Inventario Florestal Nacional IFN5 (FloreStat_IFN5); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin) Inventario Florestal Nacional IFN6, preliminary results (IFN6 - Resultados preliminares.pdf); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn6) Estatísticas Agrícolas 2015.xls, Instituto Nacional Estatística (https://www.ine.pt/xportal/xmainxpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=271434407&PUBLICACOESmodo=2) Decreto lei 16-2009 planos gestão florestal (https://dre.pt/application/dir/pdf1sdip/2009/01/00900/0026800273.pdf) ; ICNF portal (http://www.icnf.pt/portal/icnf/legisl/legislacao/2009/decreto-lei-n.o-16-2009-de-14-de-janeiro.-d.r.-n.o-9-serie-i) Normas Técnicas Planos Gestão Florestal (http://www.icnf.pt/portal/florestas/gf/pgf/resource/doc/manual/normas-tecn-PGF-AFN.pdf).
Risk Rating justification	Despite the incomplete geometric cadastre of the rural real estate in Portugal Mainland, maps are available, from several sources at an appropriate scale to define geographically the origin of the supply base. The information available from delivery notes, felling manifests, invoices, among other legal documents, which contain the origin of the raw material (county, village) serves as definition of the source which enables, supported on maps available, the mapping of the supply base. Tec Pellets receives nearly all pine, eucalyptus, poplar from a 60 km radius around the plant, by trucks/lorries. Unloading and transport documents of the raw material include its designation, its origin is legally documented (manifest), identification of the suppliers, loggers, transport companies and documentation of the lorries.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	Indicator

1.1.1	Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forest Law: https://www.boe.es/buscar/act.php?id=BOE-A-2003-21339 - Royal Decree 1088/2015, of December 4, to ensure the legality of the commercialization of wood and wood products - Basic VAT Regulations Tax Agency: https://sede.agenciatributaria.gob.es/Sede/normativa-criteriosinterpretativos/impuestosotrostributos/impuesto-sobre-valor-anadido.html - Basic Personal Income Tax Regulations Tax Agency: https://sede.agenciatributaria.gob.es/Sede/normativa-criteriosinterpretativos/impuestosotros-tributos/impuesto-sobre-renta-personasfisicas/normativa-basica-irpf.html - Basic Corporate Tax Regulations Tax Agency: https://sede.agenciatributaria.gob.es/Sede/normativa-criteriosinterpretativos/impuestosotros-tributos/impuesto-sobresociedades/normativa-basica-impuesto-sobre-sociedades.html LEGISLATION ENFORCEMENT: - The Autonomous Communities have their own personnel to carrying out law enforcement. - Tax authorities. LEGISLATION IMPLEMENTATION BY OPERATORS: Payment of the corresponding has to be made, or operators cannot have access to the following applicable: - Notification of work or use. - Work authorization or use. - Adjudication of works in public forest. BEST PRACTICES IMPLEMENTATION BY OPERATORS: Tec Pellets has developed best practices manual and qualifies and checks legality aspects, among others, for each of its suppliers.
Risk Rating justification	A study carried out by COSE (Spanish Confederation of Forest Organizations), and published by MAPA in 2013, concludes that the Spanish regulations and surveillance procedures taken by the Autonomous Communities are consistent and guarantee the legality of logging. In it, it is established that the degree of control by the forest authority is high or very high in all the Autonomous Communities except Galicia where the level of control is considered to be Medium. Each CCAA develops its own legislation and models, both for public tenders and for permits and authorizations for forest works and exploitation. Tec Pellets verifies the legality of the operations, including compliance with the EUTR requirements, from its suppliers, checking compliance with one of the following: - Notification of work or use. - Work authorization or use. - Adjudication of works in public forest. Tec Pellets is a legal established company in Portugal, and its suppliers

	are checked against legality before being accepted as a valid supplier.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
1.1.2	Legal ownership of land and resource use rights shall be respected.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forest Law: https://www.boe.es/buscar/act.php?id=BOE-A-2003-21339 - Basic VAT Regulations Tax Agency: https://sede.agenciatributaria.gob.es/Sede/normativa-criteriosinterpretativos/impuestosotros-tributos/impuesto-sobre-valor-anadido.html - Basic Personal Income Tax Regulations Tax Agency: https://sede.agenciatributaria.gob.es/Sede/normativa-criteriosinterpretativos/impuestosotros-tributos/impuesto-sobre-renta-personasfisicas/normativa-basica-irpf.html - Basic Corporate Tax Regulations Tax Agency: https://sede.agenciatributaria.gob.es/Sede/normativa-criteriosinterpretativos/impuestosotros-tributos/impuesto-sobresociedades/normativa-basica-impuesto-sobre-sociedades.html LEGISLATION ENFORCEMENT: - The Autonomous Communities have their own personnel to carrying out law enforcement. - Tax authorities. LEGISLATION IMPLEMENTATION BY OPERATORS: Payment of the corresponding has to be made, or operators cannot have access to the following applicable: - Notification of work or use. - Work authorization or use. - Adjudication of works in public forest. BEST PRACTICES IMPLEMENTATION BY OPERATORS: Tec Pellets has developed best practices manual and qualifies and checks legality aspects, among others, for each of its suppliers.
Risk Rating justification	The FSC National Risk Assessment for Spain: FSC-NRA-ES V1-1 ES_2018-09-11 establishes that: “Land tenure and use rights are covered by Spanish legislation and the authorities have implemented tools to record and monitor land tenure and use rights. Since ancient times, these rights have had great social and economic relevance, which is why they are widely developed and recognized. Examples of land tenure and use rights relevant to the Spanish context include, but are not limited to surveying and marking of public forests, property registration and cadastre, boundaries (as property markers) on small private property, etc.” Spain presents a corruption perception index value of 56 (0-100) in 2024 (Transparency International). Although the value has decreased since 2012 (value of 65), there are no reports that significantly link corruption with the forestry sector. The level of governance can be classified as robust, both with respect to the accreditation of the property and the use of the land. There is no evidence of significant

	conflicts related to the ownership of forest land or the legitimacy of its use. Some small issues or conflicts have been identified, mostly at the local level, which are known and can be addressed through legal channels. Examples of this are: - Conflicts with easements or roads for public use. - Abandoned land not claimed by descendants (linked to emigration). - Documentation accrediting unregistered ownership, old documents or accreditation for immemorial use. Especially linked to small property. - Different levels of knowledge of property boundaries. - Conflicts with consortiums. There is, in turn, legislation that protects the use of land. Forest lands are classified as rustic within the Urban Plans and there is legislation that protects them from change of use, considering the property regime of the mountains in the 2 CCAAs included in the scope. Galicia: - The private forest overwhelmingly predominates, which represents 98% of the forest area, where in addition to the micro-forest property (minifundium) typical of Galician property (1,385,550 hectares of private owners, the vast majority of which are micro-properties, 69% of the forests private) includes forests under the Communal Regime (608,646 hectares, 31% of private forests), both Germanic (Neighbourhood Forests in Common Hand, MVMC) and Roman (Abertales, Fabeo and others...). There is 2% of the surface public property. Castilla y León: - The Community's Forest area amounts to 4,838,441 hectares. The number of forest owners in Castilla y León amounts to 719,039, with an average area of 6.73 hectares per owner. The province with the largest forest area and number of owners is León, with more than 1 million ha, and the smallest Valladolid with 150,000 ha. 55% of the surface is public property and 45% private. In the north of the Community, public ownership of the land predominates, around 80%, in the case of León. The central provinces of Castilla y León have more balanced ownership percentages and as one advances south, private ownership predominates in the provinces with pastures -Ávila and Salamanca especially- where 82% of the land corresponds to private owners. The town halls, neighbourhood councils, villa and land communities and other public entities are the main forest owners in the Community. In total, there are 5,405 owners who own more than 2.6M ha. The average size of these properties is very close to 500 ha. The largest forests are located in the province of Soria and the smallest in Valladolid. The largest owner in Castilla y León is the Junta with more than 90,000 ha. Taking into account, the high level of control of public administrations over forest management and planning, we can conclude that the fact that an individual has authorization to carry harvesting operations on a piece of land implies that there is legitimacy over the use of that land.
Risk Rating	Low Risk

Portugal Mainland	Indicator
1.1.2	Legal ownership of land and resource use rights shall be respected.
Supply Base Verifiers	Delivery notes, felling manifests, invoices, among other legal documents. Copy of phytosanitary manifests (felling and/or transportation) for all conifers with geographic elements (cadastral and/or coordinates); Copy of delivered felling manifest to Forest Authorities (ICNF) for all commercial harvestings with geographic elements (cadastral and/or coordinates). Invoices, waybills, transport/shipping documents. The existence of a strong legal framework in the region Feedstock inputs, including species and volumes, are consistent with the defined Supply Base; Transport documentation and goods-in records are consistent with the defined scope of the SBE. Delivery notes, felling manifests, invoices, among other legal documents. The issuance of required transport and sales documents is well understood and regulations are largely adhered to. Inspections are common at Portuguese roads and enforcement of regulations is seen to be good. Felling phytosanitary manifest includes identification of the origin of the felling. Also documentation for transportation identifies the origin of the transport which could be useful in case of direct transport. For all other species, Tec Pellets receives documents on every transport that takes place in the chain from the raw material supplier to Tec Pellets. The transport documents state: the name and address of the operator and the sender or receiver, the name and quantity/volume of the shipped product, the place of provenance of the raw material and the date of the shipment. The person responsible for the purchase of the raw material is constantly accompanying the loggers and ensuring these issues. Tec Pellets also has the contract agreement that is made with the forest owner which defines the plots where to operate. This way, the harvest team is under the responsibility of Tec Pellets. To comply with all environmental legislation, the person responsible, our forestry specialist, also has a responsibility to comply with the law regarding Health and Safety. To inspect forest operations our forestry specialist uses a checklist with parameters on the environment, and safety and health at work Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1ºSuplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) Estatísticas Agrícolas 2015.xls, Instituto Nacional Estatística (https://www.ine.pt/xportal/xmainxpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=271434407&PUBLICACOESmodo=2) 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/Relatoriode-Caracterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf) Cutting Permission in Law n.º 33/96, at 17/08 (article 7th) https://dre.pt/application/dir/pdf1sdip/1996/08/190A00/25682573.pdf Fileira do Pinho: desafios e oportunidades (centroPINUS_JoaoGonçalves dados fileira pinho2014.pdf); Centro Pinus

	(http://www.centropinus.org/index.php?lingua=1 Decreto lei 123-2015 nematodo do Pinheiro (https://dre.pt/application/file/67649256); ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/ag-bn/nmp) Declaração Retificação n.º 38/2015 de 01/09 do Decreto lei 123-2015 nematodo do Pinheiro (https://dre.pt/application/file/70144398) Decreto lei 174-1988 manifesto corte (https://dre.pt/application/file/374768); ICNF portal(http://www.icnf.pt/portal/icnf/serv/formularios/manif/man-cort-arr-arvor) Registo de Operador de Madeira e Derivados ICNF portal (http://www.icnf.pt/portal/florestas/fileiras/reg-op) Decreto Lei 198/2012 de 24/08 FATURAS E OUTROS DOCUMENTOS COM RELEVÂNCIA FISCAL (http://info.portaldasfinancas.gov.pt/NR/rdonlyres/907FD2F4-9A9C-485D-8A99-FD164BF9FCEC/0/Decreto-Lei%20n%20_198_2012_24_08.pdf)
Risk Rating justification	The pellets are at least FSC CW and SBP-controlled biomass. Inspections from government are in place and operators must apply DDS to justify legality of timber. Tec Pellets executes an FSC CW Due Diligence system. Tec Pellets receives the document 'Manifesto' (a felling manifest is obligatory for all common commercial harvesting activities and shall be submitted to forest authorities (ICNF) up to 30 days after the felling operation) for all pine deliveries. We check the validity of these documents. The felling manifest, as well as the NMP (Pine Wood Nematode) manifest contain the following information: • Operator or service provider information • Localization of the feedstock until the freguesia (small village) level • Quantities harvested • Others In Portugal operators take steps to ensure the legality of their suppliers, which allow compliance with the requirements of forest legislation. For harvesting operations, law No. 174/88 of 17 May is followed. To start any operations in the forest, the document named Manifest is filled and submitted to Direcção Geral dos Recursos Florestais (General Management of Forest Resources). Legal requirements include having the right and valid invoice or transport documentation are in place: • Regular invoice for trading operation or transport documentation or waybill, or devolution note. • In case of pine or conifers timber the transporter must have an Economic Operator Registry and a phytosanitary Manifest for each feeling (if one feelings is transported several times it is mandatory to copy the manifest for all the transportations). Information obtained from Centro Pinus (non-profit association for key players of Pine based industry), INE and others shows that pine wood consumption of timber industry in 2014 was 4,360,000 m3 (1,300,000 m3 saw mill industry, 30%; 300,000 m3 biomass, 7% and 1,400,000 m3 pellets, 32% and 1.360.000 other uses not relevant for pellets industry). However, in 2014 there was available only 2,247,000 m3 of pine

	wood from Mainland Portugal (Pinus pinaster). As an obvious conclusion a lot of imported pine comes into Portuguese timber industry in 2014, mostly from Spain. Similar situation occurs for Eucalyptus in pulp and paper industry, which low quality parts may be also used in biomass industry. Information from Annual Bulletin of CELPA (Paper Industry Association) states that in 2014 it was imported 45% of total eucalyptus wood procured by paper industry (2,415,000 m3 imported), in its vast majority round wood from Spain and at minor extent, chips from South America or Africa (usually FSC/PEFC certified or controlled). Based on the fact that relevant volumes of imported material come into Portugal annually it is noted that imported material it is not covered by this RRA. A felling manifest is obligatory for all common commercial harvesting activities and shall be submitted to forest authorities (ICNF) up to 30 days after the felling operation. A National Action Plan for Control of Pinus Wilt Disease/Nemátodo-da-madeira-do-pinheiro (NMP) (Bursaphelenchus xylophilus) and its vector insect Monochamus galloprovincialis is in place and there is an obligation of previous communication of any felling and/or transportation of wood affected by this disease. The document (phytosanitary manifest) must accompany material until the arrival to industrial processing facilities. This is mostly focused on Pinus pinaster (23% of forest area) main source for BP. Simultaneously, approval documentation is required for specific operations on cork and holm Oak including cutting and pruning, Holly cutting, and also premature cuttings of Eucalyptus, Pinus pinaster or riparian vegetation. Since 2013 and the introduction of the EUTR laws, operators are required to register their activities on a Digital Platform managed by forest authorities (ICNF). Inspections from government are in place and operators must apply DDS to justify legality of timber. Regarding transportation, legal requirements include having the right and valid invoice or transport documentation are in place: • Regular invoice for trading operation or transport documentation or waybill, or devolution note; • CRM on international transportation In the case of pine or conifers timber the transporter must have an Economic Operator Registry and a phytosanitary Manifest for each feeling (if one feeling is transported several times it is mandatory to copy the manifest for all the transportations). The issuance of required transport and sales documents is well understood and regulations are largely adhered to. Inspections are common at Portuguese roads and enforcement of regulations is considered adequate. Felling phytosanitary manifest (NMP manifest) includes identification of the origin of the felling. Also documentation for transportation identifies the origin of the transport which could be useful in case of direct transport to BP facilities and in any case is useful in the traceability of material. Both are the most common ways to trace back to origin even if the origin area is not the forest land itself but the freguesia (minimum administrative division) where forest land is included. Several public authorities, such as SEPNA (Department of National Guard responsible for environment surveillance), ASAE (National Authority for the Food and Economic Safety) and ICNF, organize regular surveillance activities

	to verify the compliance of forest operators and wood transportation companies with the dispositions of the National Action Plan for Control of Pinus Wilt Disease. In 2016, SEPNA inspected 24'535 vehicles carrying wood logs and pallets and identified 424 infractions (1,7%) from which 295 refer to the lack of NMP manifest (1,2%). There are systems in place to trace the feedstock primary origin back to the forest stand but it is possible to do so if there are elements in the manifests or transportation documents, which could be used in the cadastral system (as the article number and section) or geographic coordinates in areas without cadastral system. On the above background, the risk related to the traceability of feedstock back to the supply base is evaluated to be specified due to the lack of compliance of forest operators in delivering all the mandatory documents for every type of raw material delivered, specially, the felling manifest for species other than coniferous. The felling manifest plays an important role for hardwood raw material. In the case of coniferous raw material, the implementation of the phytosanitary felling manifest is widely spread and verified regularly by SEPNA and ASAE. Procedures to ensure the delivery of all mandatory documents shall be put in place.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
1.1.3	Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.
Supply Base Verifiers	Copy of delivered felling manifest to Forest Authorities (ICNF) for Pinus pinaster used in industrial purposes Invoices Transport/shipping documents, waybills Feedstock input records: document ' STP.078.XX 00_Reg Mov Receção_mês' Delivery notes, felling manifests, invoices, among other legal documents. Estrategia Nacional das Florestas (https://dre.pt/application/file/6643261 2); ICNF portal (http://www.icnf.pt/portal/icnf/docref/en f) Inventario Florestal Nacional IFN6, preliminary results (IFN6 - Resultadospreliminares.pdf); ICNF portal Decreto lei 174-1988 manifesto corte (https://dre.pt/application/file/374768); ICNF portal(http://www.icnf.pt/portal/icnf/serv/formularios/manif/man-cort-arr-arvor)
Risk Rating justification	As described in previous indicators Primary Feedstock comes mainly from private properties. Tec Pellets has specialists visiting our suppliers and working on risk assessments and mitigation. By far most resources come directly from the forest. The Sawmills producing feedstock during timber processing, are sources of Secondary Feedstock. The main products provided from sawmill and other timber industry entities are sawdust and chips. We know the Sawmills we cooperate with well. Tec Pellets receives the

	'Manifesto' and other legal documents on the origin of wood. Tec Pellets manages an FSC credit system and is SBP certified. Within the framework of our FSC company evaluation program we assess PEFC suppliers (before we start working with them). The evaluation can result in an FSC CW claim on the resources. There is no specific legislation regulating classification of wood/timber harvested in Portugal in terms of species, quantities or qualities. The fact that most of forests are productive and Eucalyptus, Pines and Cork Oak covers 78% of forest land, made that this issue is not perceived as a problem with national wood/timber. Industrial use of Eucalyptus and Pines ensure that they are adequate classified and measured. Felling manifests require identification of species and volumes and are obligatory for every forest species for industrial use. Since the supply chains are short, reliable information regarding the feedstock can be gathered in collaboration with the forest owners and other stakeholders the Wood Supply manager knows well, when necessary. Thus, accurate classification and description of type, species, and categorization into roundwood and residual wood material, and when required, the approximate proportion of roundwood from final felling, in accordance with SBP requirements is possible for Biomass Producers.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
1.1.3	Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forest Law: https://www.boe.es/buscar/act.php?id=BOE-A-2003-21339 - Royal Decree 1088/2015, of December 4, to ensure the legality of the commercialization of wood and wood products. - CITES legislation: https://cites.comercio.gob.es/eses/Legislacion/Paginas/default.aspx - Portal of the CITES administrative authority in Spain: http://www.cites.es/es-ES/Paginas/default.aspx LEGISLATION ENFORCEMENT: - The Autonomous Communities have their own personnel to carrying out law enforcement LEGISLATION IMPLEMENTATION BY OPERATORS: Payment of the corresponding has to be made, or operators cannot have access to the following applicable: - Notification of work or use. - Work authorization or use. - Adjudication of works in public forest. BEST PRACTICES IMPLEMENTATION BY OPERATORS: Tec Pellets has developed best practices manual and qualifies and checks legality aspects, among others, for each of its suppliers.
Risk Rating justification	A study carried out by COSE (Spanish Confederation of Forest Organizations), and published by MAPA in 2013, concludes that the Spanish

	regulations and surveillance procedures taken by the Autonomous Communities are consistent and guarantee the legality of logging. In it, it is established that the degree of control by the forest authority is high or very high in all the Autonomous Communities except Galicia where the level of control is considered to be Medium. Each CCAA develops its own legislation and models, both for public tenders and for permits and authorizations for forest works and exploitation. Tec Pellets verifies the legality of the operations, including compliance with the EUTR requirements, from its suppliers, checking compliance with one of the following: - Notification of work or use. - Work authorization or use. - Adjudication of works in public forest. There is no forest plant species produced or cultivated in Spain on the CITES species list. None of the used and listed species of BSL is within the CITES species, appendices I II or III (http://checklist.cites.org/#/en). Tec Pellets is a legal established company in Portugal, and its suppliers are checked against legality before being accepted as a valid supplier.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**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.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Basic VAT Regulations Tax Agency: https://sede.agenciatributaria.gob.es/Sede/normativa-criteriosinterpretativos/impuestosotros-tributos/impuesto-sobre-valor-anadido.html - Basic Personal Income Tax Regulations Tax Agency: https://sede.agenciatributaria.gob.es/Sede/normativa-criteriosinterpretativos/impuestosotros-tributos/impuesto-sobre-renta-personasfisicas/normativa-basica-irpf.html - Basic Corporate Tax Regulations Tax Agency: https://sede.agenciatributaria.gob.es/Sede/normativa-criteriosinterpretativos/impuestosotros-tributos/impuesto-sobresociedades/normativa-basica-impuesto-sobre-sociedades.html LEGISLATION ENFORCEMENT: - The Autonomous Communities have their own personnel to carrying out law enforcement - Tax authorities. LEGISLATION IMPLEMENTATION BY OPERATORS: Payment of the corresponding has to be made, or operators cannot have access to the following applicable: - Notification of work or use. - Work authorization or use. - Adjudication of works in public forest.

	BEST PRACTICES IMPLEMENTATION BY OPERATORS: Tec Pellets has developed best practices manual and qualifies and checks legality aspects, among others, for each of its suppliers.
Risk Rating justification	In Spain there are two types of fees to pay: - Fees imposed by the Autonomous Communities in the licenses that are required for work or use in private forests. Each Autonomous Community regulates this aspect independently. In case there are fees, the issuance of the authorization is only possible after payment. In public areas there are payments associated with the award that must be made once the work has been awarded before its final formalization. - VAT linked to transactions and, subsequently, income or/and corporate tax. VAT is paid to the Treasury quarterly and income tax or/and companies annually. The payment of taxes to the Public Treasury related to the purchase of the source material is credited through: . Valid invoice or purchase receipt for the raw material that gave rise to the feedstock or for the work carried out (bearing in mind that self-billing is often used, so that the purchasing company itself issues the invoice). . Certificate of being up to date with Treasury (state and regional), of the company that has purchased the material or carried out the work. If payment of the corresponding fees and taxes is not made, authorizations to work or use in private forest areas or awards issued by public administration are not issued.
Risk Rating	Low Risk

Portugal Mainland	**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.
Supply Base Verifiers	Valid invoice/receipts Valid declaration of taxes non-debt IES_ Annual Declaration Proof of Annual declaration IRS/IRC Taxes Single Report VAT Code CIVA: • DL n.º 102/2008, de 20/6: artº2º 1-a);artº9º 32)List I nº4. Anexo A- IV Individual Income Code to Singular Persons: • DL nº 442-A/88 artº4º nº3,nº4 Updated by Law nº67/2015, de 06/07 Preâ. nº9, artº3 nº1a);nº4; artº4º nº1, nº3 nº4 artº34º Comercial Income Code to collective entities • DLnº 442-B/88 Updated by Law n.º 2/2014 de 16/12, Law nº3/2014 de 16/12 & Law nº4/2014 de 16/12 artº1º, artº2º, artº 3º, artº18º-nº7 ; artº20º nº1 g) artº23º nº2 k) • Port. nº 55/2010 21/01 artº2º Government sources • Autoridade Tributária e Aduaneira at:

	https://www.portaldasfinancas.gov.pt/pt/home.action • Autoridade Tributária e Aduaneira: VAT Exemption and reduction at: http://info.portaldasfinancas.gov.pt/NR/rdonlyres/9A86386D-7EB8-447F-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 Non-Government sources • ANEFA - Associação Nacional de Empresas Florestais, Agrícolas e do Ambiente at: http://www.anefa.pt/ • AIMMP– Associação das Indústrias de Madeira e Mobiliário de Portugal at: http://aimmp.pt/ • AIFF – Associação para a Competitividade da Indústria da Fileira Florestal at: http://www.aiff.org.pt/ • OCC-Ordem dos Contabilistas Certificados at http://www.otoc.pt/pt/a-ordem/
Risk Rating justification	In Portugal it is not applicable payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting such as stumpage fees and other volume-based fees. Only taxes related to timber harvesting are applicable to all economic activities such as value added taxes (VAT) and income taxes (IRS and IRC). VAT (IVA) taxes: A normal tax rate of 23% VAT is applied to sale of wood. In special cases, a VAT reduction to 6% can be applied to the owner of 'standing wood' or 'standing stock sales'; or even VAT exemption if the owner is an agriculturalist or silviculturist. Invoices must be issued by the seller, but self-invoicing by the buyer may occur in exceptional circumstances if some conditions are met (previous agreement, data conformity, etc). As no specific evidence of irregularity has been identified in relation to payment of VAT, this requirement is considered Low risk. The payment of VAT is a simple requisition that is easy to verify and legally undertake by both entities (seller and buyer). The exceptional regimes of reduced taxes or exemption are in place to include the cases of forest owners with special profiles as agriculturalist or silviculturist. Income taxes (IRS & IRC): Income taxes are applied according to individual or collective fiscal laws. It was not found any specific evidence of irregularities about income taxes related to harvest companies. Fiscal Authorities are Autoridade Tributária, which makes join inspections on roads together with GNR- Guarda Nacional Republicana.
Risk Rating	Low Risk

Portugal Mainland	Indicator
1.1.5	There shall be adequate protection of the Supply Base from unauthorised and illegal activities, such as illegal logging, mining, and encroachment.
Supply Base Verifiers	- ILLEGAL LOGGING PORTAL, Portugal: https://www.illegal-logging.info/regions/portugal

	- Transparency international, corruption perception index Portugal: https://www.transparency.org/country/#PRT
Risk Rating justification	Unauthorized activities such as illegal logging, mining and encroachment are not a significant problem in Portugal. There are low scale problems as illegal littering, loose dogs, unauthorized sports, theft of firewood, wood or fruits, poaching. Illegal or unauthorised activities in portuguese forests generally have limited economic or biological impact. The indicator has been assessed as low.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
1.1.5	There shall be adequate protection of the Supply Base from unauthorised and illegal activities, such as illegal logging, mining, and encroachment.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forest Law: https://www.boe.es/buscar/act.php?id=BOE-A-2003-21339 LEGISLATION ENFORCEMENT: - The Autonomous Communities have their own personnel to carrying out law enforcement. BEST PRACTICES IMPLEMENTATION BY OPERATORS: Tec Pellets has developed best practices manual, qualifies and checks legality aspects, among others, for each of its suppliers. Also, site visits to harvest operations are part of Tec Pellets procedures.
Risk Rating justification	There are no significant issues in Spain regarding unauthorized or illegal activities in the forests such as logging, mining or illegal occupations. Small scale problems are identified, such as unauthorized sports activities, theft of firewood, wood or fruit, poaching, illegal dumping, feral dogs, etc. Illegal or unauthorized activities have a small impact on Spanish forests and there are no reports that report situations of substantial magnitude in this regard.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
2.1.1	Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Law 16/1985, of June 25, on Spanish Historical Heritage: https://www.boe.es/buscar/pdf/1985/BOE-A-1985-12534-consolidado.pdf Best practices are considered and monitored by Tec Pellets and its suppliers,

	and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	In Spain there is a systematic legal framework for the protection of natural spaces and areas with high conservation values. According to legislation on Natural Heritage and Biodiversity, those areas of the national territory are considered Protected Natural Areas, including continental waters and maritime waters under national sovereignty or jurisdiction, including the exclusive economic zone and the platform continental, which meet at least one of the following requirements and are declared as such: - Contain representative, singular, fragile, threatened natural systems or elements or of special ecological, scientific, landscape, geological or educational interest. - Be especially dedicated to the protection and maintenance of biological diversity, geodiversity and associated natural and cultural resources. There are multiple figures and denominations since most of the Autonomous Communities have legislated on this issue: National Storages, Natural Storages, Nature Reserves, Natura 2000 Network Areas, Biosphere Reserves, etc. The protected land area in Spain as of December 2022 represents 14.81% for natural spaces and reaches 27% if the Natura 2000 Network is included, Spain being the Country that contributes the most to RN2000, the main policy instrument conservation union. The protected areas cover both public and private forests. Any harvesting activity that may affect rare or endangered species has limitations specified in the harvest permit. According to the MITECO Nature Data Bank as of December 2022: - Galicia has declared 98 protected areas, both terrestrial and marine, with the terrestrial surface subject to protection of 359,184.41 ha, 12.10% of its terrestrial surface. - Castilla y León has declared 33 protected areas, the land area subject to protection being 813,682.55 ha, 8.64% of its land area. There is high conservation values linked to cultural assets and prehistoric finds. The Iberian Peninsula is an area with a large number of archaeological and prehistoric remains. There is legislation, both state and regional, that protects and catalogues assets of historical and cultural interest. In the CCAAs that require prior authorization, this already includes any condition to an asset of interest and the measures or restrictions on work that are necessary. In the case of prior communications, if the area is affected by a property of these characteristics, it is necessary to have the pertinent heritage authorization. The action process is also legislated in the event that remains appear during the work. In these cases, the work must be stopped and the findings communicated to the competent administration. There are a good level of governance and a comprehensive legal framework developed for Spanish protected areas, and a good level of control by the CCAAs, which are the competent authorities. The CCAAs have abundant information both on web pages and on e-viewers. Geographic information (GIS) on protected spaces and priority ecosystems, habitat, protected and threatened wild species that are conveniently identified and mapped and is not possible to avoid the corresponding notification to Patrimony. The following action guide is established regarding the identification and

	delimitation of high conservation values: - For works in public forests, the management services of the CCAAs that are in charge of management have all the necessary information for their identification and mapping. Any limitation to the management related to them is communicated in the award itself. - For work on private areas that require prior authorization to carry out any forest operations (Castilla y León and certain cases in Galicia), the services of management of the Autonomous Communities are the ones who identify and delimiting the attributes of high conservation value in such a way that their presence and the consequent limitations to management are reflected in the authorization they issue. - For work on private areas with a Management Plan approved by the competent authority, and therefore with a notification for the work reflected in the approved planning is sufficient, the identification and delimitation work are found in the approved management plan, and the forest operations must adhere to what is indicated there. - For harvesting operations on private areas in Galicia for fast-growing species where a felling notification is sufficient, the notification process is made through https://mapas.xunta.gal/visores/aproveitamentos/, in which are included all the conditions of the plot, which has increased the level of control regarding the possible High Conservation Values that may exist and that the administration itself reflects in the viewer, being then required to request express approval from the competent body: biodiversity, heritage. - Valid forest management instrument (as in all CCAAs by the Forestry Law), timber or woody use short-term (less than 20 years) or minor domestic use (less than 10 m3 of wood or 20 stereos of firewood); there is still control by the administrations. The notification document specifies that the works cannot begin in 15 days since it is the response time of the Administration, which, in the event of identifying any HCV, establishes conditions/limitations to the use in order to protect the asset. Using the definitions High Conservation Values (HCV) provided by FSC and HCV Network, the following attributes are considered: 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. HCV 2 Landscape-level ecosystems and mosaics - 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. HCV 3 Ecosystems and habitats - Rare, threatened, or endangered ecosystems, habitats or refugia. HCV 4 Ecosystem services - Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes. HCV 5 Community needs - Sites and resources fundamental for satisfying the needs of local communities or indigenous peoples (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples.

	HCV 6 Cultural values - Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples. HCV attributes are well identified and mapped within the area of assessment, considering the sources of information listed above, as well as data from voluntary forest certification schemes, namely FSC and PEFC. In this indicator are considered all the relevant findings of the FSC Controlled Wood National Risk Assessment for Spain.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.1.1	Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.
Supply Base Verifiers	• Tec Pellets's Enviromental Impact Assessment • Harvesting operation maps Tec Pellets and feedstock suppliers • Internet research • GIS maps of HCV areas. • Interviews • Priority Classified Habitat and species catalogue. • FSC and PEFC certificate The pellets are at FSC CW and SBP-controlled biomass. Our specialists check the harvesting areas and assure protected regions are not cut. Sources below (mitigation measures) and these: HABEAS: http://www.habeas-med.org/webgis/pt_en/ http://www.icnf.pt/portal/florestas/profs SNAC Legislation https://dre.pt/application/file/70698029 RNAP: http://www.icnf.pt/portal/ap/ap National Conservation Plano of threatened Flora information http://www.icnf.pt/portal/naturaclas/patrinatur/conserv-flora-perigo Site characterization SIC e ZPE: http://www.icnf.pt/portal/naturaclas/rn2000/p-set/Plan-set-docs Data Base for fauna and flora specific plans: http://www.icnf.pt/portal/naturaclas/patrinatur/especies DRE: http://www.icnf.pt/portal/icnf/legisl/legislacao/2012/lei-n.o-53-2012-de-5-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 (ICNB 2008) http://www.icnf.pt/portal/naturaclas/ordgest/aa/resource/doc/man-infra-lin Law for natural values cadastre: Decree-Law n.º 242/2015 at 15/10 https://dre.pt/application/conteudo/70693924 Fresh water Fish National cartography: http://www.cartapiscicola.org/ Flora cartographic source: http://www.flora-on.pt/ Cartography (2015) http://webgis.spea.pt/AtlasAvesInvernantesMigradoras/ AIIF: http://www.aiff.org.pt/assets/ESTUDO_Prospetivo_-Sector-Florestal.pdf AIIF: http://www.aiff.org.pt/assets/Relatorio-de-Caracterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf ICNF: http://www.icnf.pt/portal/florestas/ifn/resource/ficheiros/ifn/ifn6-res-prelimv1-1 Status & Trends in Sustainable Forest Management in Europe https://www.unece.org/fileadmin/DAM/publications/timber/Forest_Europe_report_2011_web.pdf ICNF: http://www.icnf.pt/portal/florestas/dfci/Resource/doc/rel/2013/relatorio-dfci-ap-2013 ICNF: http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recupinc-catraia-set-v5
Risk Rating justification	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 percent of Portugal's continental territory. Classified areas comprise RNAP protected areas, sites from the national list [which includes sites of community importance (SICs)] and the Zonas de Protecção Especial para Aves (ZPE) of the Natura 2000 network. Municipal protection areas must also be considered. Other classified areas are also protected by international commitments agreed upon by the Portuguese state (e.g. Ramsar Convention sites, biogenetic reserves, biosphere reserves). Although not included in classified areas, other areas come under this umbrella, such as Important Bird Areas (IBAs), sites of international importance for the conservation of birds on a global scale. (http://www.icnf.pt/portal/naturaclas/cart) . ii) Endangered species according to the classification adopted by the International Union for the Conservation of Nature (IUCN) to endangered species: • Critically endangered (CR) • Endangered (EN) • Vulnerable (VU) • Protected species within the legal conservation instruments in force in

	Portugal Relevant information: • Habitat and Birds Directives; • CITES • Bern Convention • Bonn Convention • Red Book of Vertebrates from Portugal • Red book and Atlas of Bryophytes • http://www.icnf.pt/portal/naturaclas/patrinatur/especies iii) Endemic species: The Mediterranean basin, in which Portugal is found, contains around 25,000 species of plants, of which 50 per cent are endemic to the region. Of almost 4,000 species of flora listed for Portugal (continental, Azores, and Madeira), around 450 are lusitanian endemisms (444 in total; 143 on the continent, plus 76 from the Azores, 158 from Madeira, and 67 from Macaronesia), and 346 are endemic to the Iberian Peninsula. 3,314 species of flora are listed for the continent, 1,006 in the Azores archipelago, and 1,233 in Madeira. This is the region that shelters the highest number of endemisms (species that do not exist elsewhere) – 157 in all. In the Azores the number reaches 78, while on the continent it is 150. As for invertebrates, information is scarce, but there are statistics for insects: so far, 402 taxa have been registered (369 species and 33 subspecies) which are recognized as lusitanian endemisms. i) Critical seasonal use areas including critical areas of refuge, breeding or migration routes in Portuguese territory: Fauna species may use different types of habitat depending on their life cycle and the season. These habitats can be critical for their importance in the reproductive season or for the availability of food in certain seasons. This designation focuses on the importance of these areas for fauna. Digital mapping information from the Manual das Linhas Eléctricas [Manual of Electric Lines] (ICNB 2008) is also used, for reference purposes only, as its scope is limited in this field. This identifies: • Autumnal bird migration corridors in south-west Alentejo and the Vicentina coast; • Zones of concentration and passage for steppe birds (great and little bustards); • Reproduction areas for birds of prey with threatened status; • Concentration of winter birds in wetlands; • Shelters for bats, considered important at a national, regional, and local level. • As for invertebrates, information is scarce, but there are statistics for insects: so far, 402 taxa have been registered (369 species and 33 subspecies) which are recognized as Lusitanian endemism. HCV 2 – Landscape-level ecosystems and mosaics: Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance. • Cork oak and holm oak formations occurring in Portugal in the heathlands of

	the Tagus and Sado (cork) and Guadiana Valley (oak) under the form of woodlands or montados. HCV 3 – Ecosystems and habitats: rare, threatened, or endangered ecosystems, habitats or refugia. i) - Habitats Directive (2007-2012) Covers habitats listed in the Habitats Directive (Annex I) which, in the last national Habitats Directive report (2007–2012), were listed in categories (U1) – unfavourable inadequate – and (U2) – unfavourable bad. ii) - Natura 2000 database Natura2000's sectorial plan is the main source of information used to identify habitats in classified areas. In the case of non-classified areas, the Habitats Directive implementation reports can be consulted for information on habitat conservation (favourable, unfavourable inadequate, unfavourable bad). ii - Portugal approved its ratification of the Convention on Biological Diversity (CBD) via DL no. 21/93, dated 29 June, which became effective in our country on 21 March 1994. The Fifth National Report to CBD had as its main objective a review of implementation of the Convention and an assessment of how far we had come in achieving CBD objectives and the Aichi Biodiversity Targets contained in the Strategic Plan for Biodiversity 2011–2020. It also contributed to the development of the Global Biodiversity Outlook report and the review of the fulfilment of the EU Biodiversity Strategy for 2020. The report covers the state and tendencies of biodiversity and detected threats, reporting on actions taken towards fulfilling the Aichi Biodiversity Targets and finally sets out, based on experience, topics most deserving of attention in order to achieve a more adequate and broad-reaching implementation of the CBD's COP (Conference of Parties) decisions in Portugal. HCV 4 – Critical ecosystem services: basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes. forests located in critical areas in river basins, such as floodplains and sloping areas, as defined and mapped in REN-National Ecological Reserve. HCV 5 – Community needs: Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples. HCV 6 – Cultural values: sites, resources, habitats, and landscapes of global or national cultural, archaeological, or historical significance, and/or of critical cultural, ecological, economic, or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or Indigenous Peoples. i) World Heritage (UNESCO) Sites identified as World Heritage by UNESCO. In Portugal there are 15 sites identified (http://www.patrimoniocultural.pt /pt/patrimonio/patrimonio-mundial/ portugal or http://www.rpmp.pt/#!sitios/cihc). of which only two are designated as outstanding natural landscapes ('Paisagem Cultural de Sintra', around 900ha, on the Portuguese mainland, and the 'Floresta Laurissilva na Madeira', on the island of Madeira, covering 15,000ha). The Iberian Risk Assessment also identified rocky landscapes such as the Vale de Foz Côa [Foz Côa Valley], the Douro slopes, and the

	landscape of Pico island, places that, analysed more closely, are not part of the forestry sector – see the results of the meeting of the working group for category 3 (5 July 2016). Currently, there are other sites proposed for Portugal under assessment by UNESCO (https://www.unescoportugal.mne.pt/pt/temas/proteger-o-nosso-patrimonio-e-promovera-criatividade/patrimonio-mundial-em-portugal. These are not yet included here. ii) Cultural heritage (Law no. 107/2001, dated 8 September) In Portugal Mainland there is a specific governmental bodies to manage cultural heritage: the General Directorate of Cultural Heritage for the Portuguese Mainland (http://patrimoniocultural.pt/en/); Among others, this body is responsible for: managing the architectural and archaeological built heritage in urban and rural areas, including conservation works in monuments under our care; managing the national museums, World Heritage monuments and museum collections; studying, researching, and disseminating heritage-related information; conserving and restoring movable heritage assets as well as researching, disseminating results, and raising awareness about heritage protection issues. iii) Classified groves (Law no. 53/2012, dated 5 September) Additionally, the NRA WG has also looked at national legislation that identifies and protects outstanding grove (arboreta) (http://www.icnf.pt/portal/florestas/Arvores.qry?start:int=80&Distrito=&Concelho=&Freguesia=&Processo). The main source of information within this attribute is the application report of the 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 Natura2000 network. Other cartographic information of HCV is included on open GIS like http://www.habeasmed. org/webgis/pt_en/ and http://epic-webgis-portugal.isa.ulisboa.pt. Conclusion HCV 1 – Specified risk The scope of RNAP and SNAC is the assessment of large areas with significant biodiversity values, meaning that the identification of threats and pressures to attributes, as well as monitoring activities are, typically, performed at a macro scale. The identification of precise HCV attributes might not fall under the scope of these assessments, so specified risk is considered. Outside SNAC and RNAP, where less information is available, the risk is, thereby, specified. HCV 2 – Low Risk It is considered that HCV2 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. HCV 4 + 5 – Specified risk Extra effort is needed to identify and map these values. Internet sources, as well as the local situation need to be studied. This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated

	for each region by the Regional Forestry Management Plan (PROF). There are no indigenous people in Portugal, but in it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). Building fences around forests is most of the time undesirable. HCV 6 – Specified risk Extra effort is needed to identify and map these values. Internet sources, as well as the local situation needs to be studied. Portugal is a country with a long history and rich culture. There are for example several pilgrimage routes and locations of special cultural and religious value. Because 97% of the forest is in private property and the land owner could be uninterested to conserve cultural values, this aspects needs attention.
Risk Rating	Specified Risk

Portugal Mainland	**Indicator**
2.1.2	Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.
Supply Base Verifiers	• Tec Pellets's Enviromental Impact Assessment • Harvesting operation maps Tec Pellets and feedstock suppliers • Internet research • GIS maps of HCV areas. • Interviews • Priority Classified Habitat and species catalogue. • FSC and PEFC certificate The pellets are at FSC CW and SBP-controlled biomass. Our specialists check the harvesting areas and assure protected regions are not cut. Sources below (mitigation measures) and these: HABEAS: http://www.habeas-med.org/webgis/pt_en/ http://www.icnf.pt/portal/florestas/profs SNAC Legislation https://dre.pt/application/file/70698029 RNAP: http://www.icnf.pt/portal/ap/ap National Conservation Plano of threatened Flora information http://www.icnf.pt/portal/naturaclas/patrinatur/conserv-flora-perigo Site characterization SIC e ZPE: http://www.icnf.pt/portal/naturaclas/rn2000/p-set/Plan-set-docs Data Base for fauna and flora specific plans: http://www.icnf.pt/portal/naturaclas/patrinatur/especies DRE: http://www.icnf.pt/portal/icnf/legisl/legislacao/2012/lei-n.o-53-2012-de-5-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 (ICNB 2008) http://www.icnf.pt/portal/naturaclas/ordgest/aa/resource/doc/man-infra-lin Law for natural values cadastre: Decree-Law n.º 242/2015 at 15/10 https://dre.pt/application/conteudo/70693924 Fresh water Fish National cartography: http://www.cartapiscicola.org/ Flora cartographic source: http://www.flora-on.pt/ Cartography (2015) http://webgis.spea.pt/AtlasAvesInvernantesMigradoras/ AIIF: http://www.aiff.org.pt/assets/ESTUDO_Prospetivo_-Sector-Florestal.pdf AIIF: http://www.aiff.org.pt/assets/Relatorio-de-Caracterizacao-da-Fileira-Florestal-2014-160p-CAPA-3-spread....pdf ICNF: http://www.icnf.pt/portal/florestas/ifn/resource/ficheiros/ifn/ifn6-res-prelimv1-1 Status & Trends in Sustainable Forest Management in Europe https://www.unece.org/fileadmin/DAM/publications/timber/Forest_Europe_report_2011_web.pdf ICNF: http://www.icnf.pt/portal/florestas/dfci/Resource/doc/rel/2013/relatorio-dfci-ap-2013 ICNF: http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recupinc-catraia-set-v5
Risk Rating justification	The important HCV areas critical to conservation are designated as protected and classified areas at national or EU level (Natura 2000), there are very likely a large number of smaller areas or biotopes important to biodiversity or as classified priority species and habitats could be unidentified. HCV 1 – Species diversity: concentrations of biological diversity including endemic species, and rare, threatened, or endangered species that are significant at global, regional, or national levels. i) Classified areas: The total classified area protected by the Rede Nacional de Áreas Protegidas (RNAP) and the Rede Natura2000 covers around 20 per cent of Portugal's continental territory. Classified areas comprise RNAP protected areas, sites from the national list [which includes sites of community importance (SICs)] and the Zonas de Protecção Especial para Aves (ZPE) of the Natura 2000 network. Municipal protection areas must also be considered. Other classified areas are also protected by international commitments agreed upon by the Portuguese state (e.g. Ramsar Convention sites, biogenetic reserves, biosphere reserves). Although not included in classified areas, other areas come under this umbrella, such as Important Bird Areas (IBAs), sites of international importance for the conservation of birds on a global scale. (http://www.icnf.pt/portal/naturaclas/cart) . ii) Endangered species according to the classification adopted by the International Union for the Conservation of Nature (IUCN) to endangered species: • Critically endangered (CR)

	• Endangered (EN) • Vulnerable (VU). • Protected species within the legal conservation instruments in force in Portugal Relevant information: • Habitat and Birds Directives; • CITES • Bern Convention • Bonn Convention • Red Book of Vertebrates from Portugal • Red book and Atlas of Bryophytes • http://www.icnf.pt/portal/naturaclas/patrinatur/especies iii) Endemic species: The Mediterranean basin, in which Portugal is found, contains around 25,000 species of plants, of which 50 per cent are endemic to the region. Of almost 4,000 species of flora listed for Portugal (continental, Azores, and Madeira), around 450 are lusitanian endemisms (444 in total; 143 on the continent, plus 76 from the Azores, 158 from Madeira, and 67 from Macaronesia), and 346 are endemic to the Iberian Peninsula. 3,314 species of flora are listed for the continent, 1,006 in the Azores archipelago, and 1,233 in Madeira. This is the region that shelters the highest number of endemisms (species that do not exist elsewhere) – 157 in all. In the Azores the number reaches 78, while on the continent it is 150. As for invertebrates, information is scarce, but there are statistics for insects: so far, 402 taxa have been registered (369 species and 33 subspecies) which are recognized as lusitanian endemisms. i) Critical seasonal use areas including critical areas of refuge, breeding or migration routes in Portuguese territory: Fauna species may use different types of habitat depending on their life cycle and the season. These habitats can be critical for their importance in the reproductive season or for the availability of food in certain seasons. This designation focuses on the importance of these areas for fauna. Digital mapping information from the Manual das Linhas Eléctricas [Manual of Electric Lines] (ICNB 2008) is also used, for reference purposes only, as its scope is limited in this field. This identifies: • Autumnal bird migration corridors in south-west Alentejo and the Vicentina coast; • Zones of concentration and passage for steppe birds (great and little bustards); • Reproduction areas for birds of prey with threatened status; • Concentration of winter birds in wetlands; • Shelters for bats, considered important at a national, regional, and local level. • As for invertebrates, information is scarce, but there are statistics for insects: so far, 402 taxa have been registered (369 species and 33 subspecies) which are recognized as Lusitanian endemism. HCV 2 – Landscape-level ecosystems and mosaics: Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable

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	well as the local situation need to be studied. This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated for each region by the Regional Forestry Management Plan (PROF). There are no indigenous people in Portugal, but in it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). Building fences around forests is most of the time undesirable. HCV 6 – Specified risk Extra effort is needed to identify and map these values. Internet sources, as well as the local situation needs to be studied. Portugal is a country with a long history and rich culture. There are for example several pilgrimage routes and locations of special cultural and religious value. Because 97% of the forest is in private property and the land owner could be uninterested to conserve cultural values, this aspects needs attention.
Risk Rating	Specified Risk

Spain Galicia and Castilla y León	**Indicator**
2.1.2	Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Law 16/1985, of June 25, on Spanish Historical Heritage: https://www.boe.es/buscar/pdf/1985/BOE-A-1985-12534-consolidado.pdf Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	From the description given in the previous indicator (2.1.1), it can be concluded that there is an effective real framework that allows for the identification and mapping of the six high conservation values categories. There is a report produced by COSE (Confederación de Organizaciones de Selvicultores de España) and published by MAPA that indicates that the degree of control by the forestry authority is high or very high in all the Autonomous Communities except in Galicia, where the level of control is considered to be medium. The study concludes that the Spanish regulations and surveillance procedures carried out by the Autonomous Communities are consistent. The Autonomous Communities have their own personnel to carry out the control over the high conservation values, Forestry/ Environmental Agents. Within the Civil Guard there is also the SEPRONA unit (Nature

	Protection Service), which carries out environmental police work. No reports have been published on relevant environmental damage related to forestry work/harvesting. In all cases there is a clear legal framework and effective control by the authorities of any potential threats to the high conservation values. Therefore, the following operation guide has been established to identify and address potential threats to high conservation values: - For works in public forests, the management services of the Autonomous Community have all the information necessary at their disposal, which will be reflected in the work specifications. Any management limitations related to potential threats to high values are specified in the actual allocation. - For work on private lands that require prior authorization/ submission to carry any forestry work/ harvesting, the management services of the Autonomous Communities themselves will identify possible threats to the high conservation values in such a way that their presence and the subsequent management limitations are reflected in the authorization/ submission they issue. Also, during the process of approving the Forest Management (FM) plan or Authorization for Harvesting for a particular area, the HCVs are studied. This is related to any harvesting being conducted on the public and private properties. All the restrictions and prescriptions identified during these processes are reflected in the Forest Management Plan or Authorization. Concrete requirements are issued to the owner in writing, for instance describing the time of the year when it is now allowed to perform the harvesting, due to the breeding period of protected birds. The HCVs 1, 2, 3, 4 and 6 are considered by the Forest Service in the process of evaluating the Forest Management Plan or approving the Authorization for Harvesting. HCV 5 is perceived as a low risk and is not considered by the Forest Service, because there are no indigenous people in Spain and local communities does not depend on forest at the extent that basic needs could be threatened by forest management activities. On the contrary, it is considered that in Spain, the abandonment and depopulation of rural areas endanger the continuity of the local culture. Forest management is part of the culture in rural areas and should not be decreased but increased. Tec Pellets has developed a Good practices Manual, which shares with its suppliers, to be aware when forest operations are carried out within or close to protected habitats.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**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.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law 42/2007 on Natural Heritage and Biodiversity. - Royal Decree 139/2011 List of Wild Species under Special Protection

	Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	In Spain there is a systematic legal framework for the protection of natural spaces and areas with high conservation values: "According to legislation on Natural Heritage and Biodiversity, those protected natural spaces are considered protected spaces of the national territory, including continental waters and maritime waters under national sovereignty or jurisdiction, including the exclusive economic zone and the continental shelf, which meet at least one of the following requirements and are declared as such: - Contain representative, singular, fragile, threatened natural systems or elements or of special ecological, scientific, landscape, geological or educational interest. - Be especially dedicated to the protection and maintenance of biological diversity, geodiversity and associated natural and cultural resources. There are multiple figures and denominations since most of the Autonomous Communities have legislated on this issue: National Storages, Natural Storages, Nature Reserves, Natura 2000 Network Areas, Biosphere Reserves. The protected land area in Spain as of December 2022 is 14.81% for natural spaces and reaches 27% if the Natura 2000 Network is included, with Spain being the Country that contributes the most to RN2000, the main instrument of European conservation policy. The protected areas cover both public and private forests. There are a good level of governance and a comprehensive legal framework developed for Spanish protected areas. In turn, the already reviewed report prepared by COSE and published by MAPA in 2013 indicates that the degree of control by the forest authority is high or very high in all the Autonomous Communities except Galicia, where the level of control is considered Medium, and Cantabria, where a Medium-High level of control is considered. The study concludes that Spanish regulations and the surveillance procedures carried out by the Autonomous Communities are coherent. The Autonomous Communities have their own staff to control the high conservation values, Forest/Environmental Agents. In turn, the SEPRONA (Nature Protection Service) exists within the Civil Guard, which carries out environmental police work. There are no published reports on relevant environmental damage linked to forestry work/ exploitation activities. In all cases, there is a clear legal framework and effective control by the authorities of potential threats to high conservation values. Any harvesting activity that may affect rare or endangered species has limitations specified in the harvest permit. In turn, the CCAAs have abundant information both on web pages and in viewers and geographic information (GIS) on protected areas, priority ecosystems and habitats (Natura 2000 Network). Tec Pellets is FSC and PEFC certified and sources in Spain from community managed forest areas.
Risk Rating	Low Risk

Portugal Mainland	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.
Supply Base Verifiers	Tec Pellets's Enviromental Impact Assessment FSC or PEFC Forest management certificate public reports Forest Management plan as PGF, PUB, PEIF Regional, publicly available data from credible third parties FSC Supplier audit Records of Tec Pellets´ field inspections. Bugalho, M. 2011 'Interpretação Nacional das Florestas de Alto Valor de Conservação' Documento de base Trabalhos realizados pelo GT IN FAVC do FSC Portugal HABEAS: http://www.habeas-med.org/webgis/pt_en/ LEAF_EPICWebGiSPortugal: http://epic-webgisportugal.isa.ulisboa.pt/maps/epic?format=image/png;%20mode=8bit&startExtent=-1523000,4400000,-143668,5180000 SNAC : Legislation https://dre.pt/application/file/70698029 RNAP: http://www.icnf.pt/portal/ap/ap Rede Natura 2000: http://www.icnf.pt/portal/naturaclas/rn2000Important Bird Areas of Portugal at : http://ibas-terrestres.spea.pt Site characterization SIC e ZPE: http://www.icnf.pt/portal/naturaclas/rn2000/p-set/Plan-setdocs 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-perig o http://naturdata.com/index.php?option=com_content&view=article&id=78&Itemid=60Electric 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

	ICNF: http://www.icnf.pt/portal/florestas/ifn/resource/ficheiros/ifn/ifn6-res-prelimv1-1 UNECE:https://www.unece.org/fileadmin/DAM/publications/timber/Forest_Europe_report_2011_web.pdf ICNF: http://www.icnf.pt/portal/florestas/dfci/Resource/doc/rel/2013/relatorio-dfci-ap-2013 ICNF: http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recupinc-catraia-set-v5 ICNF http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/rel-tec/picoes-reltecn WILDER: http://www.wilder.pt/historias/pedida-actualizacao-de-lei-com-16-anos-sobreespecies-invasoras/ QUERCUS: http://www.quercus.pt/comunicados/2009/maio/924-especies-invasorascontinuam-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/Boas-Praticas-Florestais.pdf Martins M.J & Cerdeira, J.O. (2009) do Departamento de Matemática do Instituto Superior de Agronomia. Referências R Core Development Team, 2009, R: A Language and Environment for Statistical Computing. Vienna, Austria, R Foundation for Statistical Computing; & Autoridade Florestal Nacional, 2010, Florestat – Aplicação para a Consulta dos Resultados do 5º Inventário Florestal Nacional. in Habeas - Habeas-Hotspot Areas for Biodiversity and Ecosystem Services http://www.habeas-med.org/webgis/pt_en/ APFC: http://www.apfc.pt/xms/files/Eventos/Projetos_APFC_para_a_sanidade.pdf INIAV: http://www.iniav.pt/fotos/gca/livro_causas_doc_sintese_1369127896.pdf ICNF: http://www.icnf.pt/portal/florestas/foflo/pdr2020/resource/doc/Areas-rrc-v-final.pdf Planos de Gestão Florestal de areas públicas: http://www.icnf.pt/portal/florestas/gf/pgf/publicitacoes/encerradas Autoridade Florestal Nacional, 2010, Florestat – Aplicação para a Consulta dos Resultados do 5º Inventário Florestal Nacional. Disponível em http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin ICNF http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recup-inccatraia-set-v5 PANCD https://dre.pt/application/file/65985917 PDR2020 http://www.pdr-2020.pt/site/O-PDR2020/Arquitetura/Area-3-Ambiente-Eficienciano-Uso-dos-Recursos-e-Clima/Medida-7-Agricultura-e-Recursos-Naturais/Acao-7.11-Investimentos-nao-produtivos/Operacao-7.11.1-Investimentos-nao-produtivos

	Fundo Florestal Permanente: http://www.icnf.pt/portal/icnf/noticias/gloablnews/fundoflorestalpermanente-ffp Alves, A. M., Pereira, J. S., Correia, A. V., 2012. Silvicultura - A gestão dos ecossistemas florestais. Fundação Calouste Gulbenkian. Capítulo 5 'Condenação de Aprígio Santo', Comunicado - s, 23/02/12 at Almargem-Associação de Defesa do Património Cultural e Ambiental do Algarve https://www.facebook.com/associacaoalmargem/notes 'Abate de sobreiros na Zona de Protecção Especial do Estuário de Tejo em Benavente' 19/06/2014, Quercus - Associação Nacional de Conservação da Natureza at (http://www.quercus.pt/comunicados-floresta/644-2014/3708-abate-de-sobreiros-na-zonade-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 at (http://www.quercus.pt/comunicados-floresta/644-2014/3652-zona-de-protecao-especial-doestuario-do-tejo-ameacada-por-novas-areas-turisticas) ; Acréscimo 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-publicas-desajustadasfavorecem-incendios 'Butwell condenada por crime contra a Natureza e desobediência qualificada na Ria de Alvor' Rodrigues, E. 11/07/2015 at Sulinformação http://www.sulinformacao.pt/2015/07/butwell-condenada-por-crime-contra-a-natureza-edesobediencia-qualificada-ria-de-alvor/ The control system for feedstock, which also includes regular inspections of suppliers, is duly implemented. All used material is traceable to its origin through the harvest manifests and transport guides. All suppliers have to comply with the laws in force, which are supervised by the Tax Authority and the ICNF (Please see the file 'Plano Regional de Ordenamento Florestal' 'Documentation point 4 'cartografia síntese' (ICNF) for each region). Some HCV areas are designated as protected and classified areas at the national or EU level (Natura 2000). There are also smaller areas or biotopes important to biodiversity, or classified as priority species' habitats. Tec Pellets identifies and addresses potential threats to forests and other areas with high conservation values (HCVs). HCV 1, 3, 4, 5 and 6 were assessed to have a specified risk. Tec Pellets (contractually) ensures: • mapping of the harvesting plot, • owner rights, • harvesting according to the technical rules sustainable forest management, • best silvicultural practices, respecting environmental and safety rules, cleaning of waste from plantations

	• tree species (no genetically modified trees) The feedstock suppliers evaluate every plot before the harvesting operations begin. Tec Pellets inspects the suppliers and harvesting. Tec Pellets keeps records of field inspections and monitoring results. HCV 1 – Species diversity There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm species diversity. Species diversity is evaluated and recorded before harvesting operations commence. Caution and best practises are applied. Special attention is given to the National System of Classified Areas (SNAC) and to the Important Bird and Biodiversity Areas (IBAs). HCV 3 – Ecosystems and habitats There is a specified risk that forest operations on private and communitarian grounds and public areas not managed by ICNF could harm ecosystems and habitats. In these situations, the supplier Tec Pellets completes to evaluate the environmental impacts (on Ecosystems and habitats) of the forest operations (before the forest operations commence). Caution and best practises are applied. The forest specialist of Tec Pellets checks the environmental assessment and does field inspections. The checks and inspections are recorded. HCV 4 – Critical ecosystem services & HCV 5 – Community needs This is a specified the risk on private, communitarian, and public forest areas not managed by ICNF, subject to clear cutting at dimensions above to the maximum area indicated for each region by the Regional Forestry Management Plan (PROF). This point is evaluated and recorded before the forest operations commence. Caution and best practises are applied. Clear cuts are reduced to the maximum size indicated in the PROFs, or even further, if the environmental aspects, such as hillslopes, require special attention. There are no indigenous people in Portugal, but in it is important to evaluate the interests of the (local) population and social-economic functions of the forests and woodlands (including agricultural or municipal functions). Building fences around forests is most of the time undesirable. HCV 6 – Cultural values This is a seldom but specified risk. Forest stand values related to cultural aspects could be overlooked. Tec Pellets strives to adapt its forest operations to respect recreational and cultural values related to the area. For example, by conserving old trees with special recreational value along pilgrim routes, or close to cultural sites. Tec Pellets does not acquire wood harvested from forest areas where traditional, community or legal rights are not respected.
Risk Rating justification	HCV 1 – Specified Risk The scope of RNAP and SNAC is the assessment of large areas with significant biodiversity values, meaning that the identification of threats and pressures to attributes, as well as monitoring activities are, typically, performed at a macro scale. The identification of precise HCV attributes might not fall under the scope of these assessments, so specified risk is considered. Outside SNAC and RNAP, where less information is available, the risk is, thereby, specified. Several legal

	instruments protect areas of significant biological diversity: planos de ordenamento de áreas protegidas (POAP), planos regionais de ordenamento florestal (PROF), planos directores municipais [town planning] (PDM), plano de gestão florestal (PGF), and, in the case of classified areas, a programa de gestão da biodiversidade [biodiversity management programme] (PGB). Regarding the establishment of projects and programmes aiming to enhance the conservation status of HCV, the LIFE Programme has facilitated the development of a series of projects in Portugal. (http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.getDocs) , many of which permit contracts with owners as good conservation management practice, support and awareness-raising for owners and schools, and also vertical signs of species' territorial areas. A series of documents is also produced, from simple brochures to manuals of good practice (an example being the conservation manual for the Bonelli's eagle and the good forestry and hunting practice manual). Some projects include action plans for species conservation. Most projects have as their objective the conservation of potential HCV 1 species, being carried out by Natura2000 Network. Some NGOs, such as Sociedade Portuguesa para o Estudo das Aves (SPEA) [Portuguese Society for the Study of Birds]), have formed working groups to monitor species, such as the Bonelli's eagle working group (GTAB) and the night birds working group (GTAN). Furthermore, various good practice manuals, leaflets and other relevant information sources are available in the public domain, published by different institutions. HCV2 – Low risk The regulation implemented in Portugal on oak and holm trees and stands, includes a comprehensive legislative framework with a legal action planning and project but also cuttings protection. This legislation also meet forest management measures themselves related to intensity of exploitation, such as the stripping and pruning. This regulation is relatively well established and disclosed have being assimilated by the various agents involved as owners, managers, and operators. Also the planned forest management and the proper certification of sustainable forest management expanded in Portugal in recent years is currently counting about 236 000 hectares certified forests entering the cork and holm oak species (is not robust statistics on the certified specific area with cork oak stands). Following several surveys on the fragilised state of cork and holm oak stands, there were also developed various processes to improve forest management practices, which were disclosed by the various entities involved. This includes a variety of contents and formats such as codes of good cork forest practices but also pest and disease identification guides. More recent investment lines have been created supported by EU grants to assist owners and managers in pest monitoring of cork and holm oak stands (Operation 8.1.3 - Prevention of forest against biotic and abiotic agents) and for health recovery and restoration of forest stands of cork oak (Operation 8.1.4 - forest Restoration affected by biotic and abiotic agents or catastrophic events). The most current detailed results achieved by management and improvement actions on forest stands of are not fully known, since the full values of the last national inventory (IFN6) are

	still missing, however it is known that the class of 'wooded area with cork oak' had an increase of 6% from 1995 to 2010, and holm oak has decreased 3% in the same period. HCV 3 – Specified risk Information about threats of management activities to this designation can be found in ICNF information, namely in the sectorial plan of Natura2000 and in the Third National Application Report of the Habitats Directive (2007–2012). Portugal publishes graphics of threats to Portuguese habitats and species (Continent+Azores+Madeira) http://www.icnf.pt/portal/naturaclas/rn2000/resource/docs/rel-nac-07-12/docs/nat-summ-pt , as required by arts. 12 and 17 of the report. The Natura 2000 network database was updated in 2015 and it contains relevant information about the assessment of each habitat for each Common Importance Site. Furthermore, Portugal approved its ratification of the Convention on Biological Diversity (CBD) via DL no. 21/93, June 29th, which became effective on 21 March 1994. The Fifth National Report to CBD had as its main objective a review of implementation of the Convention and an assessment of how far we had come in achieving CBD objectives and the Aichi Biodiversity Targets contained in the Strategic Plan for Biodiversity 2011–2020. It also contributed to the development of the Global Biodiversity Outlook report and the review of the fulfilment of the EU Biodiversity Strategy for 2020. The 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. HCV 4 & HCV 5 – Specified Risk There are threats to forests located in critical areas in river basins, such as floodplains and steep areas, and aquifers as defined and mapped in REN-National Ecologic Reserve. Many of these threats include the conversion for forest plantations or other non-forest uses, and are addressed at following indicator 2.1.3. It has been identified very negative effects as a consequence of large forest fires on the river basin, affecting qualitative and quantitative hydrological flows in the following periods. In such cases the forest authorities (ICNF) develop and promote specific plans for the recovery of burned areas with precise information on the destinations of the timber. There are also threats of lesser magnitude caused in private forests, arising from inadequate operations of harvesting and / or maintenance. These operations include tools, interventions and inadequate intensity to the sensitivity of soils and vegetation in these critical areas to the protection of floods. However, the reduced scale of the most forest operations contributes to the reduction of the magnitude of the identified risks. HCV 6 – Specified Risk

	This is a seldom but specified risk. Portugal is a country with a long history and rich culture. There are for example several pilgrimage routes and locations of special cultural and religious value. Because 97% of the forest is in private property and the land owner could be uninterested to conserve cultural values, this aspects needs attention. Forest stand values related to these routes and locations could be overlooked. Tec Pellets strives to adapt its forest operations to respect recreational and cultural values related to the area.
Risk Rating	Specified Risk

Portugal Mainland	**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.
Supply Base Verifiers	Tec Pellets's Enviromental Impact Assessment Tec Pellets DDS FSC manual ICNF -Ações de arborização e rearborização. Principais indicadores (outubro de 2013 a janeiro de 2016) Nota informativa n. º 4: http://www.icnf.pt/portal/florestas/arboriz/resource/docs/not-info/RJAAR-nota-informativa-n4-jan2016.pdf ICNF, 2013. IFN6 – Áreas dos usos do solo e das espécies florestais de Portugal continental. Resultados preliminares. [pdf], 34 pp, Instituto da Conservação da Natureza e das Florestas. Lisboa. http://www.icnf.pt/portal/florestas/ifn/resource/ficheiros/ifn/ifn6-res-prelimv1-1 'Abate de centenas de azinheiras e sobreiros para instalação de olival intensivo ', 2006 Quercus-Associação Nacional de Conservação da Natureza at: http://www.quercus.pt/comunicados/2006/outubro/1650-abate-de-centenas-de-azinheiras-esobreiros-para-instalacao-de-olival-intensivo 'Obras no terreno continuam após abate ilegal de azinheiras promovido por empresários espanhóis para plantação de olival intensivo' 25/09/2008 Direcção Nacional da Quercus –Associação Nacional de Conservação da Natureza & Núcleo Regional de Beja/Évora http://www.quercus.pt/contactos/341-comunicados/2008/setembro/1222-obras-no-terrenocontinuam-apos-abate-ilegal-de-azinheiras-promovido-por-empresarios-espanhois-paraplantacao-de-olival-intensivo Natural Forest Area change 2010-2015 Map at Global Forest Resources Assessments-FAO - Food and Agriculture Organization of the United Nations at http://www.fao.org/forestresources - assessment/current-assessment/maps-and-figures/en/ Forest Change - GIS/Map in Global Forest Watch at: http://www.globalforestwatch.org/map/5/39.60/8.50/PRT/grayscale/loss,forestgain?begin=2001-01-01&end=2014-12-30&threshold=30

	Legislation: Conversion from natural Quercus suber and Quercus rotundifolia to other land uses: DL 169/2001, de 25/05 Artº 2º https://dre.pt/application/dir/pdf1sdip/2001/05/121A00/30533059.pdf, updated by DL155/2004, 30/06 https://dre.pt/application/dir/pdf1sdip/2004/06/152A00/39673968.pdf Conversion inside Protected and Classified areas: DL142/2008 at 24/07 Artº 43º https://dre.pt/application/dir/pdf1sdip/2008/07/14200/0459604611.PDF DL 49/05 24/02 https://dre.pt/application/dir/pdf1sdip/2005/02/039A00/16701708.pdf Destruction of natural riparian vegetation: Law 58/2005 29/12; Law 54/2005, at 15/11 (Artº 25º) https://dre.pt/application/dir/pdf1sdip/2005/11/219A00/65206525.pdf Conversion from natural Ilex aquifolium DL 423/89, 4/12 (Artº 1) https://dre.pt/application/dir/pdf1sdip/1989/12/27800/52915292.pdf Conversion from natural landscapes and hillside/slope erosion: DL 139/89 28/04 artº1 http://www.icnf.pt/portal/icnf/faqs/arbor/dl139-89 Conversion by deforestation above 50ha (10ha in Sensitive Areas) or for reforestation with fast growth forest species on areas above 350ha (or 70 ha in sensitive areas) DL 151-B/2013 Artº 1º https://dre.pt/application/dir/pdf1sdip/2013/10/21102/0000600031.pdf
Risk Rating justification	Portugal's forest is marked by its recent origins and by heavy human intervention. In a general way, the portuguese forest is recent. In Europe, Portugal is the country in which the transition from deforestation to reforestation occurred most rapidly: forest cover, which was between 4 and 7 per cent in 1870, grew in one century to cover more than 30 per cent of the continental territory. The definition of natural forest, as defined in the FSC forest management standard for Portugal (approved by FSC on 18 February 2016) is: forest areas where many of the principal characteristics and key elements of native ecosystems such as complexity, structure, soil properties, and biodiversity are present, and where all or most of the trees are indigenous species. Natural forests can include forest areas where forestry or other intervention is characterized by a combination of natural regeneration and artificial regeneration, composed of local indigenous species and in which many of the characteristics of natural forests are present. Natural forests do not include: • Areas where the vegetation is not dominated by trees; • Areas that were not previously forested; • Areas that do not yet contain many of the characteristics and elements of native ecosystems. Hence, the majority of the present forest cover have developed from afforestation activities of Pinus Pinaster and Eucalyptus Globulus. Thereby, forest areas considered as primary forest, as is published by FAO, account

	for around 0.8% of overall forest cover. Furthermore, the overall dynamics of the Portuguese forest cover is not promoted or supported by the demand of biomass. Simultaneously, the development of forest energy crops is not permitted in Portugal, through several legislation limitations, namely the mandatory previous authorization for premature final cut of eucalyptus stands (Law-decreenº173/88 from May 17th), regulations for the introduction and environmental control of nonindigenous species (Law-decree nº565/99 from December 21st) and mainly the mandatory previous authorization for afforestation and reforestation activities using short rotation crops (Law-decree nº175/88 from May 17th). We can also conclude that the remains of the forest ecosystems that would have survived this destruction will be concentrated in the Fundamental Nature Conservation Network (RFCN) (defined by Decree-Law no. 142/2008, amended by Decree-Law no. 242/2015 dated 15 October) and made up of the Sistema Nacional de Áreas Classificadas [National Classified Areas System], which incorporates the central areas of nature conservation and biodiversity: i) RNAP; ii) SICs and ZPEs of the Natura2000 network; iii) any other areas classified under the umbrella of international commitments agreed upon by the Portuguese state; and areas of continuity: i) REN; ii) RAN iii) DPH (public hydric domains), safeguarded by the respective legal regulations. FAO's Global Forest Resources Assessment of 2010 [2] shows the following data regarding Portuguese forest area: • 37% of areas are defined as permanent forest • 20% of the forest is within protected areas • Primary forest only represents 1% • Other naturally regenerated forest just 75% • Planted forest 25%. Altering land cover in the protected areas is prohibited by Article 43 of Decree-Law no.242/2015, as is the disturbance or destruction of threatened species and their habitats, under Article 44. As far as conversion to forest plantations is concerned, the provisions of Decree-Law no. 96/2013, 19 July, apply to the whole of the continental territory. This establishes the legal framework, for the whole of the continental territory, to which actions of afforestation and reforestation of forest species (RJAAR) are subject. However, any planting/replanting of forest species, independently of the area of intervention, that alters the dominant species previously installed (including the conversion of natural forest to plantations) is subject to advance authorization by the ICNF. It's important to highlight that the article nº9 of RJAAR defines that if an intervention area is situated inside the National Ecologic Reserve, a consult must be addressed to the CCDR as well as the related municipality. The article nº10 defines the factors that should be taken into account in the decision making process including protection of forest against forest fires, hydric related issues, biodiversity and habitat protection, among others. There are 135 Forest Producers Organizations registered on ICNF data base [3], whose offer multiple services, such as the preparation and

	implementation of Forest Management Plan, creation and management of Forest Intervention Zones, promotion of forest best practices, management of forest intervention teams, among others. As far as conversion that is not for agriculture or forestry is concerned, Decree-Law no.139/89 is applicable to all Portuguese territory, and establishes protection measures for natural landscape, arable soil, and plant cover. These actions are subject to prior licensing by the municipal council. There is also specific protection legislation for: • Cork and holm oak (D-L no. 169/2001, amended by D-L no. 155/2004 of 30 June); • Riparian vegetation (Law 58/2005 and Law 54/2005); • Holly (Decree-Law no. 423/89). The latest RJAAR informative application note [3] summarizes the main points in this legal regime, including that actions of afforestation and reforestation are to be authorized by the ICNF, approved for public funding support programmes, decided upon by environmental impact reviews or environmental incidence assessments, and authorized or carried out by the ICNF, in properties managed by the same. 15% of the reforestation activities comprising the change of species, in the period of assessment, consisted on Pinus Pinaster converted to Eucalyptus. 4% of the referenced activities comprise the plantation of Eucalyptus on areas occupied by other, non-specified, species. The Minister Council from March 21st 2017, approved a law proposal that reviews the Legal Regime of the Arborization and Reforestation Actions [RJAAR] blocking the expansion of the eucalyptus plantation area, allowing new plantations only as compensation for areas previously occupied by eucalyptus and currently abandoned, being mandatory that the areas of previously occupied by this species shall be cleaned and in condition to be used for another agricultural or forestry activity. Risk Conclusion: Specified risk. • Conversion of forest cover is possible in Portugal, although previous authorization by ICNF is mandatory. • Several legal mechanisms and monitoring practices are put in place in order to control forestry activities in sensitive areas, comprising protected tree species. • The exotic tree species most relevant in Portugal is the Eucalyptus Globulus as is described above. The area of Eucalyptus settlements is constrained and thereby, conversions from other species will not be possible. • The change of land use is limited.
Risk Rating	Specified Risk

Spain Galicia and Castilla y León	**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.

Supply Base Verifiers	APPLICABLE LEGISLATION: - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Galician Land Law 2/2016, consolidated text: https://www.boe.es/buscar/pdf/2016/BOE-A-2016-3191-consolidado.pdf - Law 11/2021, of Recuperación da Terra Agraria -Galicia; https://www.boe.es/buscar/pdf/2005/BOE-A-2005-393-consolidado.pdf - Law 3/2009, of April 6, on mountains of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	Conversion from forest to plantation: This is a situation (cutting of a native stand and the planting of fast-growing species under intensive management) that can, theoretically, occur within the scope of this Supply base on private properties in Galicia and Castilla y León linked to plantation species. However, it is an action that is normally prohibited by law and, in any case, subject to administrative control. - Galicia: The most problematic situation occurs in Galicia where it is evident that, with the data on the increase in the eucalyptus surface in the last 25 years, there have been both legal and illegal transformations of this species. It does not seem, however, that the area that comes from cutting native hardwoods, even if it exists, is relevant. All the surface data consulted on a Galician scale indicate that the surfaces of autochthonous hardwoods are also increasing in Galicia. The legislation (Galician Forestry Law) establishes in its article 67 that " reforestation and new plantations interspersed with the genus Eucalyptus are prohibited in those areas populated by species from annex 1, even after their use or their affectation by a Forest fire. This prohibition will not be applicable in cases of regeneration after planting or regeneration, on the lower floor or undergrowth, of species listed in Annex 1. " Therefore, there is a legal prohibition to carry out these transformations with established fines for violators. No reference to similar problems linked to Pinus radiata in Galicia has been found. As a result of the large fires that have affected the environment in recent years and have generated social alarm due to their virulence and danger, the Xunta de Galicia has established a moratorium on new eucalyptus plantations through the ninth transitory provision of Law 11/2021, of Recuperación da Terra Agraria, which establishes the prohibition of new eucalyptus plantations with the conditions indicated in the provision. In addition, the administration's own surveillance tasks have been activated/increased with respect to reforestation with eucalyptus, having significantly increased the disciplinary proceedings for infractions of the regulations. - Castilla y León: At the level of Castilla y León, theoretically there could be situations of

	conversion in poplar production areas (a very relevant sector at an economic level in Castilla y León) due to the elimination of riparian forest, although no relevant evidence of these situations has been found since the Riparian forests are probably one of the ecosystems hardest hit by human activity due to the high productivity of the soils on which they are based and, currently, wherever they exist, they are protected. There is a controversy linked to the recovery of a minimum of natural riverbank vegetation in rivers, but it does not entail this type of conversion, but rather the inverse, recovery of natural structures. Change from forest to non-forest use: The authorization of changes in forest use is regulated at the state level by Law 43/2003 on Forests modified by Laws 10/2006, of April 28 and 21/2015, of July 20, which indicates in its article 40, dedicated Change of forest use and modification of vegetation cover: " The change of forest use of a mountain when it is not motivated by reasons of general interest, and without prejudice to the provisions of article 18.4 and the applicable environmental regulations, will be exceptional and will require a favourable report from the competent forest body and, where appropriate, from the owner of the forest." Also defining this Law in its article 6. the concept of change of forest use as: " any material action or administrative act that makes the forest lose its character as such." Therefore, it is something exceptional that requires express authorization from the competent authorities. Normally, the change to agricultural use can be authorized in those plots that have had a previous agricultural use, in a period of 10-30 years. In other exchange rates it is only authorized in case of special public interest. This is something that does not affect the type of forest in which BSL's suppliers work. Even so, it should be noted that the material from felling's carried for transformations from forest to non-forest uses cannot be included within the SBP feedstock. - Galicia: In Galicia, changes in use from forestry to agricultural must be notified or authorized to/by the Ministry of Rural Affairs. The 2012 Galician Forestry Law simplified the procedure and requirements to convert forest land into agriculture (being much stricter in the opposite direction) under a series of conditions. Depending on the surface of the transformation and the type of species that would have been planted in the forest, a simple communication is enough (which in any case requires an environmental impact report for the Ministry of the Environment) or a prior authorization is necessary to carry it out. The Xunta de Galicia approved Law 11/2021, of May 14, for the recovery of agricultural land in Galicia. Through this norm, the general framework in Galicia is established for the management of agroforestry land, its use management, the fight against its abandonment and the promotion of its recovery, in order to put the now abandoned and underused lands into production. and to provide the land to whoever wishes to work it. The law offers a range of instruments and possibilities to improve the territorial base of existing farms, facilitate generational change in the agroforestry sector and generate wealth and employment in the rural sector. - Castilla y León:

	In Castilla y León, the Forest Law (Law 3/2009, of April 6, on Forests of Castilla y León) develops within Title V of Conservation and Protection of Forests, Chapter I of Changes in forest use and protection of the vegetation cover in five articles these issues. The total forested area has exceeded 730 thousand hectares, which implies that it has been the greater impact in Spain of repopulation aid to private owners. Castilla y León has forested 35% of the total area. 65% of this area was forested in the period 1993-99 and only 8% from 2007." They are not expected, therefore, and no evidence of transformations has been found. It is therefore concluded that there is a clear legal framework that regulates both transformations from native mass to plantation (prohibition) and from forest land to non-forest land (prior authorization). Tec Pellets is FSC and PEFC certified and sources in Spain in managed community forest areas.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
2.2.2	Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Galician Land Law 2/2016, consolidated text: https://www.boe.es/buscar/pdf/2016/BOE-A-2016-3191-consolidado.pdf - Law 11/2021, of Recuperación da Terra Agraria -Galicia; - Decision 2012/535/UE and Decree 10/2011; - Law 3/2009, of April 6, on mountains of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	According to current reports, the phytosanitary situation of Spanish forests has worsened due to drought and climate change, starting from a situation of no concern regarding the level of tree mortality. The introduction of foreign pests and pathogens and climate change are currently the main threats to the health of our forests along with forest fires. According to the Report on the situation of forests and the forestry sector in Spain 2017 (ISFE), "The conjunction of climate change and the exchange of invasive species is posing a serious threat to the preservation of forest masses on the planet. Climate change is expected to increase the susceptibility of forests to the intensity and frequency of disturbances generated by native forest insects and pathogens. This is due to the action of pests; they can find more suitable

	climatic conditions for their development (greater survival in extreme weather) and they can also establish themselves in new areas devoid of their natural enemies, and on the other hand, the host trees can become more vulnerable to these agents due to climatic extremes (prolonged droughts, extreme temperatures, floods, gales). These disturbances can have devastating effects not only on the survival but also on the structure and functioning of forest ecosystems. In Spain, global defoliation was 21.7% in 2017, slightly higher, both in coniferous and broad-leaved trees, than the previous year (21.1%). If we look at these damages broken down by species or groups of species, the hardwoods showed a slightly worse state than the conifers, with greater defoliation (22.7% vs. 20.7%), less frequency of trees that were not or only slightly defoliated (72.7% vs. 77.8%) and a higher proportion of dead trees (0.6 vs. 0.5%). The recent evolution of the damage, where the percentages of healthy, damaged and dead or missing trees are compared between 2017 and the previous 5 years. It can be seen that there has been a serious deterioration, already verified in 2016, in the last year compared to the previous five-year period, of almost 10% in the proportion of healthy trees, which reaches 11.7% in conifers and is somewhat lower in hardwoods (8.1%). A segregation of defoliation by Autonomous Communities shows that the Basque Country, Asturias, the Canary Islands and Cantabria had the best records of healthy trees, while the highest percentages of damaged trees were observed in Madrid, Murcia, Valencia, Castilla-La Mancha, Catalonia and Extremadura. If we compare these damages with the average of the previous five-year period, a worsening is observed in most CCAAs, particularly acute in Madrid and in the eastern / southeastern Communities such as Murcia and the Valencian Community, undoubtedly associated with the drought suffered in these areas, as well as a certain improvement in the Atlantic Communities and in the Canary Islands. An important utility of the Network (European Forest Damage Monitoring Networks Level I and Level II Network; The results of this monitoring are regularly published in the "Annual Inventories of Forest Damage" (IDF; Level I Network), https://www.miteco.gob.es/es/biodiversidad/temas/inventariosnacionales/inventarioespanol-patrimonio-natural-biodiv/sistemaindicadores/06b-inventario-danos-forestales.aspx; and in the " Memories of the Level II Network", https://www.miteco.gob.es/es/biodiversidad/temas/inventariosnacionales/redes-europeasseguimientobosques/red_nivel_ll_resultados.aspx, is that it allows to know the cause agents of damage, initially grouped into 8 classes. There has been a notable increase in the damage recorded in the last three inventories, from 3,224 in 2014, to 4,468 in 2016 and 6,030 in 2017, mainly due to the sharp increase in abiotic damage and, to a lesser extent, due to the increase in annotations by insects and by fungi. The rest of the agents varied their proportion in an insignificant way. Overall, abiotic damage represented half of the damage, and 90% of this is assignable to drought. The lack of rainfall has caused significant losses of leaf biomass in many forest areas. It is likely that climate change is related to the occurrence of increasingly extreme droughts in our country, although it is expected that the

	damage from this cause will be reduced as soon as it subsides, as has happened in previous episodes". Once the data has been exposed, it is also found that the level of control by the forestry authority is medium/high throughout the country. Therefore, Spanish regulations and the surveillance procedures made by the Autonomous Communities are consistent. There is a systematic legal framework with action plans implemented at the governmental level for the management of the main problems detected and a data monitoring network (European Forest Damage Monitoring Network). The Ministry of Agriculture has a specific section dedicated to Plant Health, which develops regulations, guides, protocols and monitoring studies of the different pests/ diseases detected; and in turn in each of the autonomous communities there are specific departments that monitor and study these aspects. Examples of these tasks of public administrations are: - Integrated Pest Management Guides, Forestry Group, from MAPA: https://www.mapa.gob.es/eu/agricultura/temas/sanidadvegetal/productosfitosanitarios/guias-gestion-plagas/forestales/ - Plant Health, Pine Wood Nematode, from MAPA, which includes information on demarcated areas in Spain: https://www.mapa.gob.es/es/agricultura/temas/sanidadvegetal/organismosnocivos/pine-wood-nematode/ - Contingency Plan for the Pine Wood Nematode, from MAPA: https://www.mapa.gob.es/es/agricultura/temas/sanidadvegetal/pnc_nmp_marzo_2020__sin_amarillo_tcm30-525472.pdf - Interreg Sudoe Plurifor Project, in which public administrations (Xunta Galicia, Basque Government, Asturias Government...), associations and private entities are represented with the aim of contributing to the development of regional and transnational risk management plans for forest areas susceptible to biotic and abiotic risks: https://www.interregsudoe.eu/proyectos/los-proyectos-aprobados/167-planesde- gestion-de-riesgostransnacionales-para-los-espacios-rurales-forestalessensibles-a-los- biotic-and-abiotic-risks. Three demarcated areas linked to the Pine Nematode have been established and, in this sense, the Xunta de Galicia, through Resolution 8/2019, of December 28, 2018, has established a quarantine zone for the pine nematode in masses of Pinus pinaster in the South of the Province of Pontevedra, counties of Condado, Baixo Miño, Val Miñor, Vigo and A Paradanta; https://mediorural.xunta.gal/es/temas/agricultura/sanidadvegetal/organismosnocivos-de-cuarentena. The area affected is reflected in the viewer of the Xunta de Galicia of forest exploitation and in it the legislation regarding the pine nematode must be complied with: Decision 2012/535/UE and Decree 10/2011. The scope of this evaluation is the impact/effect of forestry operations on the evaluated Indicator. Forest operations normally have a positive impact on the control of forest diseases. For the rest, as already stated, there are manuals of good practices implemented, monitoring results, examples of application of the legislation, reports and action plans related to the main diseases and pests.

	Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations. Tec Pellets is FSC and PEFC certified and sources in Spain in duly managed community forest areas. Is thus concluded that the existing complex situation is addressed: ecosystems, their health, vitality, functions and services in the supply base can be maintained or enhanced.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.2.2	Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.
Supply Base Verifiers	Tec Pellets's Enviromental Impact Assessment Manifest Regional Forest Plan (PROF) Tec Pellets DDS FSC manual CW Vendor Audit' report cdr04 Records of Tec Pellets field inspections SNAC framework Environmental Impact Assessment Government sources Instituto da Conservação da Natureza e Florestas at http://www.icnf.pt/portal APA-Agência Portuguesa de Ambiente at http://apambiente.pt/index.php Municipalities at http://www.cm-.pt/ Alvaiazere Municipalitie forest regulation includes clearcutting fellings: http://ftp.cm-alvaiazere.pt/regulamentos/Regulamento_florestal.pdf Non-Government sources Quercus - Associação Nacional de Conservação da Natureza at http://www.quercus.pt/ LPN-Liga para a Protecção da Natureza at http://www.lpn.pt GEOTA - Grupo de Estudos de Ordenamento do Território e Ambiente at http://www.geota.pt/scid/geotawebpage Greenpeace International at http://www.greenpeace.org/international/en/ World Wildlife Fund -Portugal at: http://www.wwf.pt/ Legislation: National Ecological Reserve DL 239/12 at 2/11 artº20ºnº1 e) EIA DL 151-B/2013 de 31/10 artº 1º nº3 b) Anexo II https://dre.pt/application/dir/pdf1sdip/2013/10/21102/0000600031.pdf DLnº 47/2014, 24/03 31/10 DLnº 179/2015, 27/08 artº2º Environment Law Lei de Bases de Política do Ambiente: Lei n.º 19/14 de 14/04 artº10ºd) DL nº49/05, de 24/02 artº20º DL 197/2005, de 8/11 artº 1º, nº3 b) e nº4, Machinery NP 1948, de 1994

	Forest Equipament Chainsaw: NP 2761, de 1988 NP EN 13525:2005+A2:2009 Forest fire areas: DL nº55/2007, de 12/03 artº1º Lei n.º 54/91, de 8/08 DL nº34/99, de 5/02 artº1º Ministry Council Resolution nº 5/2006, de 18/01
Risk Rating justification	Most environmental legal requirements relating to forestry planning activities are included in Portugal's forestry legislation. In the administrative process of forest planning or forestation projects, the competent entities are centrally consulted by the national forest authority (ICNF). Management Plans including Forest Intervention Zone (ZIF), Community Use Area Plan (PUB) and Intervention Special Plan (PEIF) have been in place since 2000, and (to 2013) cover about 44% of Portuguese forest area. In private areas, forest plans are mandatory for all forest areas greater than a certain area (from 25 ha to 100ha, depending on the region); however lack of this requirement has not resulted in any known penalties. In public areas, forest plans are obligatory for all areas (state forest, municipalities, etc.); however numbers from 2012 indicate that only 43% of these forests have the PGF. As of 2015, it is an objective of the forest authority ICNF that 100% of its areas should have a PGF by 2017 (for all public areas). In communitarian forests plans are obligatory for all areas however 2015 data show that Forest Plans (PUB) are in place in only 60% of cases. Forest Management Plans should include identification of most part of potential impacts and measures to minimize them. However, it is not a specific tool used to monitor environmental impacts, on FMU Management Plans. Instead there are the Regional Forest Plan covering all country which contains the most part of recommendations and tools to address forest impacts. Regional Forest Management Plans (PROF's) include monitoring specifications related to sustainability of forest resources, detailing all biotic and abiotic factors but also soils, and a list of potential impacts. Best practices are included for each forest management program. First generation PROF's were approved ten years ago, and they are all in a revision, being expected to be approved soon. No clear cuts are allowed, sustainable and best practices are mandatory by the authorities, specially under Portuguese Natura 2000 law. The national nature conservation system is based on legal protection regimes (such as The National network of protected areas, Natura 2000 network, etc.), which limits the activities allowed in these areas. There is also an inspection authority, SEPNA, and a strong system of protection (effective protected áreas and legislation) in place. Even so Tec Pellets is concerned and the Manager of the Certificate or the Responsible of Reception carries out audits to suppliers (Beginning of the year or part 1 of the process) by documenting them in the 'CW Vendor Audit' report cdr04. The procedures are in document 'Tec Pellets DDS and FSC manual' (please see attached). The supplier agrees to alert Tec Pellets, if it changes the source of the supply área. As a result, this control has made it possible to have a better understanding of all the traceability of raw material and this is reflected in the fact that there are

	no problems with suppliers, raw materials or land disputes. Larger scale activities are obliged to address a legal impact assessment and monitoring processes so an Environmental Impact Assessments must be done to conversions above 50 ha or reforestations with fast growth species above 350 ha. These figures are lower when they occur inside Sensitive Areas (Protected, Classified and Monumental Areas), where it is obligatory to have this approved EIA if conversion to non-forest uses involves an area greater than 10 ha or forestation/ reforestation is taking place with fast-growing forest species covering over 70 ha. In case no forest plan is available (no PROF, PGF ZIF, PUB, SNAC, as well as no PEFC or FSC certification) an additional assessment of environmental impacts is made and recorded before harvest. Tec Pellets always completes an 'Environmental Impact Assessment', which is covered by various tools.
Risk Rating	Specified Risk

Portugal Mainland	**Indicator**
2.2.3	Soil quality in the Supply Base shall be maintained or enhanced
Supply Base Verifiers	Tec Pellets's Enviromental Impact Assessment Supply contracts DDS Tec Pellets FSC manual
Risk Rating justification	Since 1901, with the establishment of the Forest Regime, the maintenance of soil quality, as well as its fixation, was identified as a strategic objective for the improvement of forest health and forest services. Forest Regime was constantly developed throughout the 20th century being the final iteration, the Forest Law Base Policy, which 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 fighting desertification.". National Forest Strategy (2015) states (chapter 2.2.5): "The susceptibility to desertification, which in terms of the Convention is defined by the aridity index threshold and, in particular in Portugal, corresponds to the 'Semi-arid' and 'dry sub-humid' classes, covers 58% of the mainland in the last three decades (1980/2010) and 63% in the last decade (2000/2010). More than 60% of the national forest area estimated by IFN6 is included in areas susceptible to desertification including 100% of holm oak area, 99% of the area of cork oak, 98% of Pinus pinea and 100% of the carob tree. Still from the same chapter of the National Forest Strategy: "It should also be noted that in the last decade there has been a significantly positive trend on the recovery of the productive capacity of Portuguese soils – in 22% of the mainland area– thus a regression in the desertification trends, including, in this scope, 5% of degraded areas, 9% of areas under production and 6% of naturalized areas, on a large extent related to new afforestation, since more than 90% of new afforestation interventions were carried out in areas

	susceptible to desertification (data from IFN).” ICNF report “Forest adaptation to climate change” (2013) prior to the development of the National Forest Strategy of 2015, states the following on page 57: “Technical studies for the assessment and monitoring of the soil status that have been developed as a support for the revision of the PANCD (National Action Plan Against Desertification), show that 28% of the areas susceptible to desertification are degraded. Nevertheless, monitoring of the soil conditions over the period 2000-2010 shown a positive evolution of soil status on susceptible areas – 22% recovered its primary productivity and only 1.1% presented a negative trend.” Legislation on public policy on soils, territory planning and urbanism sets a goal of enhancing the potential of agricultural, forestry and forest areas, among other broader objectives. Regarding territory planning sets the objective: “The preservation of soils with potential for agriculture, livestock or forestry, nature conservation, tourism and leisure, the production of renewable energies or the exploitation of geological resources in such a way that the allocation of such soils to other uses is restricted to situations where it is effectively needed and is duly proven.”. 6th National Forest Inventory [IFN6, page 48, table 409.PTC] comprises data about soil quality based on indicators such as signs of erosion, grade of compaction of soil as well as causes of compaction, on specified forest species stands. Signs of erosion were identified on 1% of Pinus pinaster areas, 1% of Eucalyptus globulus areas, as well as 1% of Pinus pinea areas. The grade of compaction is divided into three categories: Null, Reduced and High. The grade of compaction in 92% of the soils where Pinus pinaster is found presented a Null grade of soil compaction. For Eucalyptus, this percentage drops to 80% of the areas and, in the case of Pinus pinea, the percentage of the forested area showing no signs of soil compaction was 78%. At a macro level, on which the inventory relies, the risk of forest operations on soil quality is low. Soil is a critical natural asset for forest operations and, despite the existing good practices, stakeholders report inadequate soil preparations for plantation and as well as inadequate management of soils on areas affected by forest fires. The diploma of afforestation and reforestation actions, and several other diplomas published afterwards, in mainland territory establishes, in its article 10, that the authorization request and the prior communication regarding the afforestation and reforestation actions and the analysis and decision process must be based, among other aspects, on norms and good soil preparation practices, as well as the constraints on techniques for installing forest stands and other guidelines for regional forest management programs, specific forestry intervention plans and forest management plans. In 2018, the essential technical standards to be considered within the scope of the preparation of afforestation and reforestation projects, the respective analysis and decision process, and their execution, were definitively established, through the respective legislative publication. These technical standards concern the distances of afforestation and afforestation to be safe-guarded to neighbouring buildings at the time of installation of new forest stands, regardless of their use and without prejudice to the application of all others

	arising from specific legislation, namely in the field of forest protection against fires, the conservation of nature and biodiversity, the defence of soils and water resources. Considering the information reviewed, although positive trends were verified in the latest assessments on soil quality, climate change and land use are emerging realities and this indicator is considered as specified risk.
Risk Rating	Specified Risk

Spain Galicia and Castilla y León	**Indicator**
2.2.3	Soil quality in the Supply Base shall be maintained or enhanced
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Law 7/2022 on waste and contaminated soil for a circular economy: https://www.boe.es/buscar/act.php?id=BOE-A-2022-5809 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Law 3/2009, of April 6, on mountains of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 One of the measures that are usually established for harvesting operations in Spain (CAA)'s in sloping areas is the impossibility of removing stumps in order to ensure grip on the ground. Tec Pellets evaluates the impacts of its operations about the erosion, desertification and loss of nutrients through the implementation of the Manual of good practices: - Where needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha are planned. - 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 in near-water areas. - 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.
Risk Rating justification	The main problem of soil quality of Mediterranean forests is soil desertification increased by climate change, loss of nutrients and erosion. Soil erosion is one of the determining factors in the advance of desertification in Spain and constitutes an environmental problem of special relevance in most of the Mediterranean area. The following conditions of large areas of Spain and the Mediterranean region are associated with desertification processes: - The semi-arid climate in large areas, seasonal droughts, extreme variability of rains and sudden high intensity rains. - Poor soils with a marked tendency to erosion.

	- Uneven relief, with steep slopes and very diversified landscapes. - Losses of forest cover due forest fires. Regarding erosion, The European Court of Auditors (ECA) research indicates that up to 44% of Spain runs a great risk of soil erosion. According to JRC Science for Policy report “Condition of agricultural soil: Factsheet on soil erosion”, 2017, Soil degradation by water erosion is particularly significant in Spain (3,7 t/ha/year) in years 2000-2012. Flood protection is addressed by the Flood Risk Prevention and Management Directive, which draws up Flood Risk Management Plans. Protection against erosion is addressed via the National Plan of Prioritized Actions to Hydrological and Forest Restoration, Soil Erosion Control and Combating Desertification. This plan designates the priority watersheds and develops programs and actions to be carried out. The plan is operating on more than 18,4 million hectares, of which 3,5 million are a priority. Several laws in each autonomous community regulate management and harvesting, including specific technical limitations (among others, machinery to be used according to the soil conditions, etc.). The legislation is complemented with a high degree of implementation. There are no published reports on significant impacts of forest activities. The increase of forest and artificial surfaces is considered an important factor for decreasing erosion, new forests on abandoned agricultural lands improve the soil quality. The risk of erosion also depends on the kind of terrain where harvesting is conducted. Another problem for soil quality in Spain is a loss of nutrients specially in Mediterranean area. And mountain areas also require a special attention in terms of erosion. Relevant sources of information: - National Soil Erosion Inventory (INES): https://www.miteco.gob.es/es/biodiversidad/temas/inventariosnacionales/inventarionacional-erosion-suelos/default.aspx - National Action Program against Desertification (PAND): https://www.miteco.gob.es/es/biodiversidad/temas/desertificacionrestauracion/luchacontra-la-desertificacion/lch_pand.aspx - Spanish Society of Forestry Sciences: . Report on the situation of forests and the forestry sector (ISFE) in Spain 2017: http://secforestales.org/sites/default/files/archivos/isfe2017_final-v2.pdf . ISFE 2021 Advance Report: http://secforestales.org/sites/default/files/archivos/avance_isfe2021.pdf
Risk Rating	Specified Risk

Spain **Galicia and Castilla y León**	**Indicator**
2.2.4	Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.
Supply Base Verifiers	APPLICABLE LEGISLATION:

	- Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Law 7/2022 on waste and contaminated soil for a circular economy: https://www.boe.es/buscar/act.php?id=BOE-A-2022-5809 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Law 3/2009, of April 6, on mountains of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 LEGISLATION ENFORCEMENT: The Autonomous Communities have their own personnel (forest rangers) to carry out the control tasks. Within the Civil Guard there is also the SEPRONA unit (Nature Protection Service), which carries out environmental police work. The Nature Protection Service carries out the work as environmental police and can verify the compliance of the work performed to the authorization issued by the Forest Service. Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	In Spain the Authorization for Harvesting is issued by Forest Service of every Autonomous Community. Among other things, it regulates the residue removal management in every particular case. Burning of harvesting residues requires prior authorization as well. There is the final inspection work of the Administration/owner, which requires compliance with what is indicated in the Specifications and contracts regarding the treatment of waste. There is a clear and effective legal framework, and competent authorities in the country carrying out the control tasks of the harvesting operations. Usually, the procedure for waste management is specified in the Technical Specification Sheets, authorizations or contracts that govern the execution of the works. Most of the CCAAs have their own regulations on the management of forest residues from work and activities that are permitted and those that are not. So far, there was not any reports from both authorities specifying any damage to the ecosystems due to the harvesting operations, carried out under the legal frame and authorized by the Forest Service. The Nature Protection Service verifies the compliance of the work performed to the authorization issued by the Forest Service. Tec Pellets has developed a Manual of good practices to be aware when forest operations are carried out within or close to protected habitats.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.2.4	Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.
Supply Base Verifiers	Tec Pellets's Enviromental Impact Assessment Fundamental Environmental Law n.º 19/2014 of 14/04 :

	http://www.icnf.pt/portal/icnf/legisl/legislacao/2014/lei-n-o-19-2014-de-14-de-abril-d-rn-o-73-serie-i Dec -Law.nº 142/2008, of 24/07 https://dre.pt/application/file/70698029
Risk Rating justification	In Portugal forest residues removal from forests is regulated so loggers and owners have some legal obligations, related with both fire and phytosanitary policies. These obligations are dependent on species, areas, seasons and regions. Depending on forestry procedures and forest models, the solutions adopted about forest residues are: - integrating them in the soil; - removing them, or; - burn them in the appropriate season. All of these operations include advantages and disadvantages according to the focus of the overview. In case of removal, it is always considered a harm to the remaining forest, soil, fauna and flora. Process of forest residue removal is commonly included on Best Practices but also on wood supply contracts, and forest land leasing.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.2.5	Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.
Supply Base Verifiers	Tec Pellets's Enviromental Impact Assessment Internet research GIS maps of HCV areas Regional, publicly available data from a credible third party as FSC and PEFC reports Game management plans Regional Forest Plans Forest Operating Procedures Publicly available information on the protection of the values identified Aerial photos Assessment at an operational level of measures designed to minimise impacts on the values identified Erosion and desertification programs and maps FSC Manual DDS Tec Pellets Legislation: Dec-Law n.º 130/2012 22/06 https://dre.pt/application/dir/pdf1sdip/2012/06/12000/0310903139.pdf National Water Plan: http://www.apambiente.pt/?ref=16&subref=7&sub2ref=9&sub3ref=833 Hydrographical basin Plans http://www.apambiente.pt/?ref=16&subref=7&sub2ref=9&sub3ref=834#pgbh-tabela Reserva Ecológica Nacional Law:

	https://dre.pt/application/dir/pdf1sdip/2012/11/21200/0630806346.pdf See also evidences listed on indicators 2.1.1, 2.1.2, 2.1.3, 2.2.1 and 2.2.2 1)Tec Pellets studies data (from publicly available information, research and programs) for its harvesting teams on ground water, surface water and steams (see above 2.1.1 on mapping and 2.1.2 on identifying and addressing potential threats, HCV 1 – Species diversity). This information is given to all feedstock suppliers. 2) Feedstock suppliers are trained to not contaminate ground water and to plan forest management operations that protect the soil, forest and surroundings from surface water. 3) The harvesting teams inspect visually the plot and the hill slopes and streams in the surroundings and report on the results. Tec Pellets completes its 'Environmental Impact Assessment' (EIA). 4) Best practises are used (internal document IT-04). Best practices include forest management measures that protect the plot against too high or low ground water levels, and erosion (surface water moving too quick or too slow). Related to a too quick runoff of surface water, streams in the surroundings are considered. The landscape where the harvest operations are executed is considered, including hill slopes and streams that can overflood. In areas vulnerable to water damage, the maximal contiguous clear-cut area is 5 ha. 5) Tec Pellets monitors the harvesting operations of its feedstock suppliers and checks the submitted EIAs. These best practises are required to comply with the SBE program requirements. The best practices as stated in point 4, and the Environmental Impact Assessment in point 3, follow the 'ICNF Handbook for forest best practices': 'In areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.'
Risk Rating justification	Tec Pellets considers the landscape where the harvest operations are executed, including hill slopes and streams that can overflood and demands the same from its feedstock suppliers. Clear cutting (of several ha) is avoided in areas where all conditions are at high risk for soil erosion. In these cases, is followed the ICNF Handbook for forest best practices: 'In the areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the natural vegetation and not inflict harm to the soil.' These best practises are required to comply with the requirements of SBE program. Water legal framework includes water law and national and hydrographical

	basin plans, being Portuguese Environment Agency the national authority. Other authorities like SEPNA (National Republican Guard) and Nature Guards and Vigilantes, also have competencies of water resources inspection actions. Tec Pellets has never been penalized by any of these entities. 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 project and plan must comply with this regulation, and they should be in place, for example in projected soil preparation techniques. The risk is applied to all private, communitarian, and public forest areas which are not managed by ICNF. ICNF Handbook for forest best practices defines: 'In the areas surrounding the water lines the risk of erosion is often very high, since these are areas of concentration of rainwater runoff. In these bands (with a minimum width of 10 meters for each side, as stated in the legal definitions and conditions of legal limits (Decree-Law no. 468/71, of 5 November) a strict prevention of erosion phenomena shall be performed, and it is therefore essential to adopt measures to protect it, such as maintaining all or a significant part of the spontaneous vegetation and not perform any mobilization of the soil.' Usually prevented by legal and regulatory framework, however in portuguese implemented legislation there is not a clear and effective legal tool over all territory, being exceptions the Northern regions, where 10 hectares is defined as the maximum clearcuttings area as defined on Regional Forest Plans. Also, some Municipalities may have municipal regulations about clearcutting 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. However, our suppliers never intervene in water zones. This is confirmed by our forestry specialist who is constantly on the ground to accompany our suppliers. This is considered a specific risk.
Risk Rating	Specified Risk

Spain **Galicia and Castilla y León**	**Indicator**
2.2.5	Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Law 7/2022 on waste and contaminated soil for a circular economy: https://www.boe.es/buscar/act.php?id=BOE-A-2022-5809 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf

	- Law 3/2009, of April 6, on mountains of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 LEGISLATION ENFORCEMENT: SEPRONA (Nature Protection Service) or Agentes Forestales /Medioambientales (Autonomous Communities controlling officers) are the organisations dealing with inspections and law enforcement. Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	Forest lands have a positive impact on water resources compared with other land uses such as agriculture. Depending on the type of forest work, there are three types of control impacts: - In public forest, the allocations include the restrictions to forest operations close to any water flows. - In private forest with Forest Management Plan approved, there are a previous revision by the authorities of all impacts on ground or surface water. - In private forest without Management Plan, the Authorization for Harvesting issued by Forest Service of every community, also regulates the water management in every particular case. When a forest exploration is within 100 meters of any water stream, the Forest Service ask to the specific competent authority, the River Basin Agencies (Confederaciones hidrográficas), for a previous approval. The FSC NRA for Spain states the following: “Forest activities with certain characteristics and of a certain size, as defined in the law, must have an environmental impact report prior to the request for license activity. Environmental impacts of harvesting activities, like soil or water course damage, are generally well regulated in Spanish legislation. As a major branch of forest policy in Spain has been and continues to be aimed at ensuring the supply of water in sufficient quantity and quality.” Besides the national and Autonomous Communities controlling officers, nature conservation societies also have an active role in Spain and there are no reports about relevant environmental damages linked to harvesting activities. Relevant sources of information: - MITECO, Regulatory Framework for Hydrological Planning: https://www.miteco.gob.es/es/agua/legislacion/Marco_normativo_planificacion.aspx - Spanish Society of Forestry Sciences: . Report on the situation of forests and the forestry sector (ISFE) in Spain 2017: http://secforestales.org/sites/default/files/archivos/isfe2017_final-v2.pdf . ISFE 2021 Advance Report: http://secforestales.org/sites/default/files/archivos/avance_isfe2021.pdf Tec Pellets has developed a Manual of good practices to be aware when forest operations are carried out within or close to areas that may impact ground water, surface water and water downstream.
Risk Rating	Specified Risk

Spain Galicia and Castilla y León	Indicator
2.2.6	Air emissions shall comply with national legislation or in the absence of national legislation with industry best practice.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law 34/2007, of November 15, on air quality and protection of the atmosphere: https://www.boe.es/buscar/pdf/2007/BOE-A-2007-19744-consolidado.pdf - Air quality, regulations: https://www.miteco.gob.es/es/calidad-y-evaluacionambiental/temas/atmosfera-y-calidad-del-aire/calidad-delaire/normativa/ regulationsspanish.aspx - Law 711/2006, about the Technical test of vehicles (ITV). LEGISLATION ENFORCEMENT: - Autonomous Communities authorities; - Civil Guard, SEPRONA (Nature Protection Service) does the environmental police work. Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	In Spain there is a clear and effective legal framework and competent authorities that carry out their control tasks. Spanish regulations and the surveillance procedures carried out by the Autonomous Communities are consistent. The Autonomous Communities have their own personnel to carry out the control and SEPRONA the environmental police work. There are no published reports on relevant environmental damage linked to forestry work/exploitation activities. The greatest impacts on air quality in forests are due to fires or emissions from nearby heavy industries. Neither of the two factors are a consequence of forest management / harvesting activities. In forestry works three main sources of atmospheric pollution have been identified: - Dust. To minimise the amount of dust produced by the works, it is necessary to proceed in moderation in those places where dust is generated. - Combustion gases from machinery and vehicles. To minimise the emission of gases, the engines must be kept perfectly maintained and switched off when not in use. Machinery shall be reviewed in Vehicle Inspection Tests - ITV. - Incineration of forest waste. Regarding the forest operations performed by Tec Pellets and its suppliers, the impacts on air quality come from the emissions of the machinery used in the works. In this regard, the work in an area is not continuous, so its impact is punctual. Tec Pellets always checks the ITV inspections of forestry machinery to its suppliers.
Risk Rating	Low Risk

Portugal Mainland	Indicator

2.2.6	Air emissions shall comply with national legislation or in the absence of national legislation with industry best practice.
Supply Base Verifiers	Forest Best Management Practices (IT-04) Supply contracts Check list 'Exploração florestal' Assessment at an operational level of measures designed to minimise impacts on the values identified Publicly available information on the protection of air quality as APA website. Regional, publicly available data from a credible third party The existence of a strong legal framework in the region. Environmental Laws : Law n.º 19/14 de 14/04 artº10ºd) DL nº49/05, de 24/02 artº20º DL 197/2005, de 8/11 artº 1º, nº3 b) e nº4, Decree-Law n.º 102/2010 of 23/09 https://dre.pt/application/dir/pdf1sdip/2010/09/18600/0417704205.pdf Machinery • NP 1948, de 1994 • NP 2761, de 1988 • NP EN 13525:2005+A2:2009
Risk Rating justification	Air legal framework includes air law and national air quality plan, being Portuguese Environment Agency the national authority. Other police authorities like SEPNA (National Republican Guard) and Nature Guards and Vigilantes, also have competencies of air pollution inspection actions. Generally, forests are considered the best use of soil compared with other land use possibilities and forest management activities are not known in the country as to cause air pollution. Major negative impacts from forests are due to forest fires which are not considered management activities. Burning forest residues at the forest site as the traditional way is prevented with forest feedstock sourcing for biomass legal framework in force at high fire hazard periods. Forest equipment must comply with EU directives about air pollution. The forestry equipment is checked by our forestry specialist. There is a checklist of a number of parameters, from operating conditions, safety, cleaning and leaks. Based on available information the requirements included in this indicator are considered low risk.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.2.7	Pesticides shall only be used as part of an Integrated Pest Management (IPM) plan in compliance with national legislation, chemical safety data sheets and industry best practice. Banned pesticides shall not be used.
Supply Base Verifiers	Existing legislation Level of enforcement Assessment at an operational level of measures designed to minimize

	impacts on the values identified Monitoring record Law n.º 26/2013 de 11 /04: https://dre.pt/application/file/260367 Pine processionary official Plan: http://www.icnf.pt/portal/florestas/prag-doe/resource/doc/proc/proc-florest-2015.pdf Eucalyptus snout beetle official plan: http://www.icnf.pt/portal/florestas/prag-doe/ag-bn/gorg-eucal
Risk Rating justification	The legal framework for agrochemicals use is the Law nº 26/2013 from April 11th which applies to Portuguese context the EU Directive n. º2009/128/CE, of 21/10. Fertilisers are prescribed on some forest management systems like installation period or forest plantations, but the intensity of this use is very low according to every perspective. The implementation of this law had a very positive impact on use of agrochemicals, and included the needing of accredited training, and records (quantities, disposals, etc) to all the involved people. The use of chemicals on Portuguese forests is not common, and it is very restricted to a few cases because, among others, there are few homologate products applying to the most important phytosanitary forest plagues and diseases. In these 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. Based on available information the requirements included in this indicator are considered low risk.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
2.2.7	Pesticides shall only be used as part of an Integrated Pest Management (IPM) plan in compliance with national legislation, chemical safety data sheets and industry best practice. Banned pesticides shall not be used.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Directive 2009/128/EC of the European Parliament, of October 21, 2009; - Chemical substances legislation: https://www.sanidad.gob.es/ciudadanos/saludAmbLaboral/prodQuimicos/legislacion.htm - Royal Decree 830/2010, of 25 June, which establishes the regulations governing training in biocide treatment: https://www.boe.es/boe/dias/2010/07/14/pdfs/BOEaAa2010a11157.pdf - Ministry of the Presidency, Royal Decree 1311/2012, of 14 September, establishing the framework for action to achieve a sustainable use of plant protection products: https://www.boe.es/boe/dias/2012/09/15/pdfs/BOEaAa2012a11605.pdf LEGISLATION ENFORCEMENT: The Autonomous Communities have their own personnel to carry out the

	control. In turn, there is, within the Civil Guard, the SEPRONA (Nature Protection Service) that is in charge of the environmental police work. There are no published reports on relevant environmental damage due to the use of chemical products linked to forestry. Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	Spain has a clear and effective legal framework and competent authorities that perform the control tasks. The Spanish regulations and the surveillance procedures carried out by the Autonomous Communities are consistent. The Autonomous Communities have their own personnel to carry out inspections and law enforcement. No reports have been published on relevant environmental damage caused by using chemicals linked to forestry operations. To be considered to apply biocides and chemical agents is required to have a licence issued by a body recognised by the competent authority and to have completed training in this field. In Spain pine can prosper a problematic moth (pine processionary moth, Thaumetopoea pityocampa. The applications to fight this problem are promoted by public authorities. Legislation establishes the framework for sustainable use of pesticides by reducing the risks and effects of their use on human health and the environment. This national legislation is an answer to Directive 2009/128/EC of the European Parliament, of October 21, 2009, which establishes a framework to achieve a sustainable use of pesticides. With this Directive, the European Union regulates the use of plant protection products. National legislation also provides for protection of the environment and the drinking water, reducing risks in specific areas (habitats and aquatic species), and establishes a ban on aerial spraying in general, allowing it in special cases only, if authorized by territorial delegations. Tec Pellets has developed a Manual of good practices to be aware that there is controlled and appropriate use of chemicals.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
2.2.8	Waste shall be disposed of in an environmentally appropriate manner.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law 22/2011 on “The contaminated soil by waste”: https://www.boe.es/buscar/pdf/2011/BOEA-2011-13046-consolidado.pdf - Waste prevention and management, regulations and planning: https://www.miteco.gob.es/es/calidad-y-evaluacionambiental/temas/prevencion-ygestion-residuos/normativa-y-planificacion/ LEGISLATION ENFORCEMENT: The Autonomous Communities have their own personnel to carry out the control. In turn, there is, within the Civil Guard, the SEPRONA (Nature Protection Service) that is in charge of the environmental police work.

	Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	In Spain there is legislation in force that forbid any waste disposal in the forest. Waste management consists in: - Urban waste: areas must be kept clean and free from residue of rubbish scattered in the floor. Urban waste must be collected and deposited in the nearest municipal container. - Hazardous waste. Proper management of hazardous waste begins at the moment the waste is generated, and all personnel are involved, following the instructions: - Do not mix hazardous waste; and, - Dispose of hazardous waste through an authorised waste management company. The Autonomous Communities have their own personnel (forest rangers) to for control and within the Civil Guard there is also the SEPRONA unit (Nature Protection Service), which takes the environmental police work. Among other things, they are also involved in protection of natural spaces, and survey how the waste management is carried out by the responsible for harvesting. Tec Pellets developed a Manual of good practices to verify that methods of waste disposal minimise negative impacts on forest ecosystems.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.2.8	Waste shall be disposed of in an environmentally appropriate manner.
Supply Base Verifiers	Existing legislation; Level of enforcement; Regional Best Management Practices; Waste Management and Planning Official page: https://www.apambiente.pt/index.php?ref=16&subref=84 Decree-Law n.º 73/2011 de 17/06: https://www.apambiente.pt/_zdata/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/statistics-explained/index.php/Waste_statistics/pt
Risk Rating justification	The legal framework for waste disposal is based on a recent law which applies to Portuguese context the EU Directive n.º 2008/98/CE. Portuguese Environment Agency is the national authority but other police authorities like SEPNA (National Republican Guard) and Nature Guards and Vigilantes, also have competencies of waste disposal. Also municipal authorities can apply municipal rules to implement applicable legislation. Waste disposal on forest lands exist in Portugal and it affects both private and public lands. But as it is illegal in the country there are efforts made by private ours suppliers and

	authorities to collect the waste and send it to final legal destination. Some of the measures used by owners include fencing of their lands, sign installation against waste disposal and formalizing complaints to authorities in case of illegal waste disposal. Based on available information the requirements included in this indicator are considered low risk.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.2.9	Harvesting levels shall be justified as to how they can be sustained with reference to inventory and growth data for the Supply Base.
Supply Base Verifiers	The last national forest inventories address the indicator: 5th National Forest Inventory - IFN5 (2010); 6th National Forest Inventory - IFN6 (2015). Best practices are considered and checked.
Risk Rating justification	Statistical information from the National Forest Inventory is fully available in IFN6 (2015): - From 2010 to 2015 forest area increased by 1,9%. - In 2015 (IFN6), forest growth was 172 million cubic meters, similar value to 2005 (IFN5) - The maintenance of wood volumes between the two last inventories shows that forest production can be considered, globally, as sustainable, since the wood volumes lost through harvesting, wild fires, plagues and diseases were in balance with the overall forest growth. Hence, all the above information indicates that the actual harvesting volume does not exceed sustainable values or compromises long-term economic viability of stands.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
2.2.9	Harvesting levels shall be justified as to how they can be sustained with reference to inventory and growth data for the Supply Base.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Law 3/2009, of April 6, on mountains of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to

	operations.
Risk Rating justification	Available forestry statistics (IFN3, IFN4) show a significant increase in timber stocks in Spain from inventory to inventory as a consequence of both the continued increase in forest area in recent decades and the improvement of forest masses. According to the reports prepared by the Forest Service of the Ministry, the annual growth of wood from Spanish forests (47 million m3) is of the order of three times higher than the amount that is actually cut and used (16 million m3 per year). This balance, with an extraction rate of 35%, is maintained with the current data. However, the figures are highly variable between Autonomous Communities and range between 10% and 88%. In any case, the cuts are always below the growth. The felling data in 2020 by CCAA and for the whole of Spain is 15 936 844,28 m3 (w/bark): - Softwoods: 8 391 553,86 m3. - Hardwoods: 7 545 290,42 m3. For the CCAA's in the Supply, the total felling data is: - Galicia (2020): 8 990 614,00 m3 - 38% coniferous; 62% hardwoods. - Castilla y León (2020): 1 759 212,74 m3 - 77% coniferous; 23% hardwoods. The levels of use are always well justified. In the eucalyptus trees, the entire mass is used at the end of the shift, while in the pine forests intermediate works and uses are made, although in all cases the levels of use are conservative, as shown by the statistics and reports. Laws in each Autonomous Community regulate forest operations, use and specific technical limitations (type of logging, maximum allowable cutting area, machinery to be used according to the soil conditions, etc.), diameters (minimum and/or maximum), species and others.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
2.2.10	Harvested areas shall be regenerated
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Law 10/2006, of April 28 and Law 21/2015, of July 20: https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Galician Land Law 2/2016, consolidated text: https://www.boe.es/buscar/pdf/2016/BOE-A-2016-3191-consolidado - Law for the Recovery of Agrarian Lands of Galicia: https://info-sitegal.xunta.gal/es/paxina/lei-112021-do-14-de-maio-derecuperacion-da-terra-agraria-de-galicia - Law 3/2009, of April 6, on mountains of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 Best practices are considered and monitored by Tec Pellets and its suppliers,

	and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	The main purpose of silviculture in Mediterranean forests is the maintenance of ecosystems and the improvement of their natural functions, and so the encouraging of natural regeneration is always one of the main objectives in any of the forest operations. Article 50 of Law 21/2015 on Forestry stipulates that the autonomous communities must guarantee the conditions for the restoration of forest land burned, and the following shall be prohibited: - Change in forest use for at least 30 years. - Any activity inconsistent with the regeneration of the forest cover during the period determined by regional legislation. Conversion of natural forests to plantations or other land uses is generally not allowed under the Spanish law, except in the following circumstances: - The change in use of a forest when it is not motivated by reasons of general interest, and without prejudice to the provisions of Article 18.4 of Law 21/2015 on Forestry (regarding records of forests catalogued with public declarations other than forest use) and applicable environmental regulations, will be exceptional and require a favourable report of the competent forestry body and, where appropriate, the owner of the forest. - The competent forestry body shall regulate cases in which, without a change in forest use, authorization is required for the substantial change of the forest cover. Galicia: With the data on the increase in the eucalyptus surface in the last 25 years, there have been both legal and illegal changes of this species. It does not seem, however, that the area that comes from cutting native hardwoods, even if it exists, is relevant. All the surface data consulted on a Galician scale indicate that the surfaces of autochthonous hardwoods are also increasing in Galicia. The legislation (Galician Forestry Law) establishes in its article 67 that " reforestation and new plantations interspersed with the genus Eucalyptus are prohibited in those areas populated by species from annex 1, even after their use or their affectation by a Forest fire. This prohibition will not be applicable in cases of regeneration after planting or regeneration, on the lower floor or undergrowth, of species listed in Annex 1. " Therefore, there is a legal prohibition to carry out these transformations with established fines for violators. No reference to similar problems linked to Pinus radiata in Galicia has been found. As a result of the large fires that have affected the environment in recent years and have generated social alarm due to their virulence and danger, the Xunta de Galicia has established a moratorium on new eucalyptus plantations through the ninth transitory provision of Law 11/2021, of Recuperación da Terra Agraria, which establishes the prohibition of new eucalyptus plantations with the conditions indicated in the provision. In addition, the administration's own surveillance tasks have been increased with respect to reforestation with eucalyptus, having significantly increased the disciplinary proceedings for infractions of the regulations. Castilla y León: Theoretically there could be situations of conversion in poplar production areas (a very relevant sector at an economic level in Castilla y León) due to

	the elimination of riparian forest, although no relevant evidence of these situations has been found since the Riparian forests are probably one of the ecosystems hardest hit by human activity due to the high productivity of the soils on which they are based and, currently, wherever they exist, they are protected. Sources of information: - FSC-NRA-ES V1-1 National Risk Assessment for Spain: https://fsc.org/en/document-centre/documents/resource/168 - Cartography web viewers: https://sig.mapama.gob.es/geoportal/ - Galicia: https://mapas.xunta.es/visores/conservaciondanatureza/ Castilla y León: https://idecyl.jcyl.es/vcig/ Furthermore, Tec Pellets has procedures in place to check legal situation of harvesting operations of its suppliers and the areas respective management plans /information regarding the future area's cover and use.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.2.10	Harvested areas shall be regenerated
Supply Base Verifiers	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 certificated 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.
Risk Rating justification	Apart from the sustainability criteria recently transposed from RED, in Portugal there 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 focus 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.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.2.11	The impacts of natural processes such as fires, pests and diseases shall be managed.
Supply Base Verifiers	Tec Pellets’s Enviromental Impact Assessment CL 01 - Check List Forest Exploration Suppliers Regional Best Management Practices Supply contracts Assessment of potential impacts at operational level and of measures to minimise impacts Regional, publicly available data from a credible third party The existence of a strong legal framework in the region. Estratégia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal

	(http://www.icnf.pt/portal/icnf/docref/enf) 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) Medias Controlo Nemátodo-da-Madeira-do-Pinheiro_03_2015, ICNF portal (http://www.icnf.pt/portal/florestas/pragdoe/resource/doc/divul/apresentacoes/2015-03-12/NMP_03_2015.pdf) Decreto lei 123-2015 nematodo do Pinheiro (https://dre.pt/application/file/67649256) ; ICNF portal (http://www.icnf.pt/portal/florestas/prag-doe/ag-bn/nmp) Declaração Retificação n.º 38/2015 de 01/09 (https://dre.pt/application/file/70144398) Inventario Florestal Nacional IFN5 (FloreStat_IFN5); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin) Inventario Florestal Nacional IFN6, preliminary results (IFN6 - Resultadospreliminares.pdf); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn6) Plano Nacional de Defesa da Floresta Contra Incêndios (https://dre.pt/application/dir/pdf1sdip/2006/05/102B00/35113559.pdf); ICNF portal (http://www.icnf.pt/portal/florestas/dfci/planos/PNDFCI) Zonas de Intervenção Florestal, ICNF portal (http://www.icnf.pt/portal/florestas/gf/zif/sitger-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 justification	Pests, diseases and fires are today the greatest perceived risks in the Portuguese forest sector. As stated in previous indicator biotic and abiotic risks are supported by disturbances affect in 2011 24% of the forest area, generated by a regressive vicious cycle that combines fire, ‘seca’, pests, diseases and invasive species. The national program for forest fire protection (PNDFCI) establishes various levels (national, regional, municipal and local) in order to create a network of forest fire prevention (primary and secondary on public level and tertiary on forest owner level). This system aims to compartmentalize extensive woodlands and contribute to the containment and firefighting. The identification of these elements is defined in the various plans in force particularly in the Forestry Management Regional Plans (PROF) and Forest Defense Municipal Plans Against Fires (PMDFCI), which also define the responsibilities for its implementation on field. In terms of forest owners are defined in Forest Management Plans and related (PEIF, PUB). Private forest lands can be grouped into Forest Intervention Areas (ZIFs), forest policy instrument to ensure efficient management of forests at the landscape scale and the consistent application of public support for forestry development. ZIFs are continuous land area, with a majority of forest areas,

	subject to a Forest Management Plan and a Defense Plan for Forest and managed by a single entity. Until July 2016 they are constituted 179 ZIF, covering 924,447 hectares of territory. One of the objectives of ZIFs is to reduce the conditions of ignition and fire spread implementing on the field planned measures. Field implementation of planned measures is uneven in Portugal. Also, fires are the greatest perceived risks in the Portuguese forest sector as it recognized by public administration. On the above information specified risk is assessed on the fire management at forest level. There are enforcement and monitoring on the performance of our part: harvest, transporters and warehouses. Every step need of official document.
Risk Rating	Specified Risk

Spain Galicia and Castilla y León	**Indicator**
2.2.11	The impacts of natural processes such as fires, pests and diseases shall be managed.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forest fire regulations: https://www.mapa.gob.es/es/desarrollorural/legislacion/leg-espanolaforestal-incendios.aspx - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOEA-2012-11414-consolidado.pdf - Law 3/2007 consolidated Galician Forest fires: https://libraria.xunta.gal/sites/default/files/documents/13-0017_0.pdf - Rural Environment, Xunta Galicia, Forest Fire Daily Risk Index: https://mediorural.xunta.gal/es/temas/defensa-monte/irdi - Law 3/2009 of Forests of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 - Castilla y León Forest Fires: https://medioambiente.jcyl.es/web/es/medio-natural/incendiosforestales.html Tec Pellets forest operations have usually a positive impact regarding the prevention of forest fires, since they reduce density and continuity in forest masses. Tec Pellets has implemented a Good Practices Manual, known to all its workers, and which indicates the measures to be taken to prevent forest fires derived from their work. Tec Pellets procedures include verification on the following: - Technical Documentation required by the Administration regarding the defense against Forest Fires -checking if the property complies with its obligations established by the legislation of each of the CCAAs, with regard to the prevention and defence against forest fires (Prevention Plan, Project Management Plan/ approved Management Plan, etc.). - Requirements demanded for forestry work companies when working in the

	forest in times of high fire risk - checking if the company have all the means required for work in high fire risk periods or/and if complies with the restrictions established.
Risk Rating justification	For pests and diseases, there is a clear regulatory framework, action plans and data monitoring networks, and competent administrations in terms of their management and control. Therefore, it is generally considered that there is adequate management of pests and diseases, also taking into account that a large part of the responsibilities in this regard fall on public administrations. Regarding fires climate change is expected, and is surely already occurring, to affect the susceptibility of forests to disturbances, as well as the frequency, intensity, duration, and timing of these disturbances. There may be increased fuel accumulation in forests, longer fire seasons, and more extreme weather conditions. Thus, the frequency and intensity of forest fires is expected to increase. The current trend is that the mountains offer an increasingly dangerous vegetation structure in this sense, since they accumulate the fine biomass that in the past was used to cover the needs of feeding livestock and heating, and they present a greater spatial continuity of fuel. Everything indicated is according to what has happened in the last 5 years, in which the special virulence of the fires, with an increase in the affected wooded forest area is generating a relevant state of social alarm, being perceived as the greatest threat to forest masses in Spain. In short, climate change together with the profound changes in land use since the second half of the 20th century has generated an increase in the accumulation of fuel in forests, longer fire seasons, extreme weather conditions. In the words of an expert in the field, Juan Picos (School of Forest Engineering of the University of Vigo), compiling the conclusions of the Iberian Congress on Strategic Management Areas in October 2022 of the Firepoctep project: “The variable of change in the evolution of Large Forest Fires (GIF) in the Iberian environment is none other than the fuel, distribution, arrangement, accumulation and availability of forest vegetation. Rural depopulation has been followed by widespread scrub which, due to a lack of management, inevitably leads to forest fires as a form of regeneration of nature, which, in turn, leads to the abandonment of the few residual populations that still inhabits them, feeding back the problem. The stress of forest masses and the extension of periods of high risk are consequences of climate change. The occurrence of increasingly voracious and unreachable IIFFs since extinction is flagrant, frequently generating serious civil protection emergencies. The phenomena that occurred in the 2017 fires in the west of the Iberian Peninsula are a clear example of these as unfortunately reproducible situations. The seasonality of wildfire risk is disappearing and will do so faster in the coming years. The management of new emergencies by IIFF demands not only a change in state and regional policies, but also legal, organizational, training and scientific support, which favours proactivity in the preventive and comprehensive management of GIFs. Adapting to the new types of IIFF requires accelerating the process of professionalization of forest firefighting operations, as well as an inter-administrative collaboration protocol and the

	shared commitment of society as a whole. In the fight against IIFF, reactive attitudes have often prevailed, but the accident rate and severity of the fires that are coming require a change towards proactivity as a basic principle of managing both risk and the resulting emergency. The intensive preventive treatment and its maintenance in 100% of the forest areas is neither technically nor economically viable. For this reason, specialized science focuses its efforts on determining which areas of the territory have the greatest influence on the spread of GIFs, developing different methodologies for the identification of the so-called Strategic Management Zones (ZEG), understood as those places that maximize the effectiveness of both preventive works to stop the spread and security in combat work." Analysing the data offered by MITECO in the annual informative advances that they prepare on forest fires, it is observed that in the last 10 years there have been 3 years (2012, 2017 and 2022) with more than 150,000 hectares of forest area burned, with 2022 being the worst year of all (268,000 hectares affected) in which, in addition, the burned wooded forest area increased significantly (115,000 hectares). Even so, these data are far from the worst years in terms of forest area burned in the 1980s. At the level of the evolution of attempts and fires, what is indicated in the forecasts made on the virulence and intensity expected in the fires is observed. Currently the number of outbreaks and fires is significantly lower for a larger area affected, which is indicating, as the data corroborate, a higher incidence of Large Forest Fires (GIF), a category that includes those fires that exceed 500 affected forest hectares. Comparing data for the years 2012 and 2022, the indicated trends are clearly observed: - In 2012 there were 15,997 accidents with 5,542 declared fires and a total of 218,956.59 hectares affected, of which 83,000 correspond to wooded areas. - In 2022 there were 10,503 accidents (34% less) with 3,309 declared fires (40% less) and a total of 267,939.64 hectares affected (22% more) of which 115,000 correspond to wooded areas (38% more). According to the statistics provided by the competent services of the regional administrations, during 2022 there were 57 GIFs, the same as in 2017, while in 2012 there had been 41. It seems that the recurrence of catastrophic years in relation to fires in Spain is of the order of 5 years, the last three being 2012 (which especially affected Castilla y León and the Valencian Community), 2017 (which especially affected the Northwest of the Peninsula: Galicia, Asturias, León) and 2022. At the management level, a large part of the responsibilities regarding forest fires falls on public administrations. Given the complexity of this situation and that its approach goes far beyond what is required at the risk analysis level of a company that intends to validate its supplies, the conclusions of this point focus on two issues: - Compliance with the legal requirements at the level of forest planning and maintenance of prevention and defines infrastructures against forest fires of the forest management unit of origin. At this level, the level of risk is differentiated between public and private forests. - Responsibilities of the companies that work in the forests through the legal requirements demanded by the administrations when working in the forests in

	times of high risk of forest fires. At this level, the level of risk is differentiated between public and private forests. At the level of forest management: - In public forests the administration itself is the manager of these areas, which is why it is responsible for planning and maintaining an adequate defense and prevention infrastructure. - In private forests all existing legislation establishes limitations on forestry work in times of high fire risk and, in turn, obligations or responsibilities of forest managers/ owners regarding prevention/defence against forest fires. Some examples are: . In Galicia, and with respect to micro-property, the Galician Forest Law establishes distances that plantations must respect to houses, roads, watercourses. It is the responsibility of the owners to comply with these indications in new plantations. In turn, the Xunta de Galicia establishes a daily forest fire risk index (IRDI) with the limitations associated with forestry work according to daily levels. . In Castilla y León, the JCyL determines annually by means of an order the time of high fire danger where the extinction operation is deployed and has ORDER FYM/510/2013, of June 25, which regulates the use of fire and preventive measures are established for the fight against forest fires in Castilla y León, developing conditions, permitted and prohibited activities or subject to approval. At the level of the forestry companies that work in the forests, the legal requirement is demanded in any work carried out, although in a public forest it is the forestry administration itself with its mechanisms (works director, etc.) that controls compliance and, in a private forest, the work of the administration is surveillance, being the responsibility of those involved (owner and company) compliance. Therefore, the risk designation is defined and levelled as: 1. Low risk for pests and diseases management. 2. Low risk for fires management in public forests. 3. Specified for the management of fires in private forests.
Risk Rating	Specified Risk

Spain Galicia and Castilla y León	**Indicator**
2.2.12	Genetically modified trees shall not be used.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law 9/2003, of April 25, which establishes the legal regime of confined use, voluntary release and commercialization of genetically modified organisms: https://www.boe.es/buscar/doc.php?id=BOE-A-2003-8588 Tec Pellets identifies the tree species harvested and used. Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	There is no legal prohibition on using genetically modified material, but there is a legal framework that regulates its use, for which it is necessary to obtain a government licence. There is the Comisión Nacional de Bioseguridad

	(National Commission on Biodiversity, Spain), which, “pursuant to the provisions of the second additional provision of Law 9/2003, is a collegiate body that is consultative in nature and of which the function is to inform on authorisation requests presented to the State General Administration and to the Autonomous Communities in respect of genetically modified organisms (contained use, voluntary release, and marketing). It comes under the Spanish Ministry of Agriculture, Fisheries, Food, and the Environment, and it is made up of representatives of the various Ministries involved, representatives of the Autonomous Communities, as well as subject matter expert persons and institutions.” There is also a Public Register of Genetically Modified Organisms that “is set up pursuant to Royal Decree 178/2004 of 30 January, which approves the General Regulation for the Implementation and Execution of Law 9/2003, in its first additional provision, pursuant to the third additional provision of the said law. It is enriched by such data as available, by reason of their competence, to the Spanish Interministerial Council on Genetically Modified Organisms, the National Commission on Biosecurity, the ministerial departments that are competent in the matter, and the competent bodies of the Autonomous Communities, as well as data arising from handling communications and authorisation requests for the contained use, voluntary release, and marketing of genetically modified organisms.” There are no records and there is no evidence of use of genetically modified organisms in the forestry sector.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
2.2.12	Genetically modified trees shall not be used.
Supply Base Verifiers	List of species used. EU Register of authorised GMOs http://ec.europa.eu/food/dyna/gm_register/index_en.cfm •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 de Ambiente at webpage: http://apambiente.pt/index.php?ref=16&subref=85&sub2ref=430 •DGAV- Direcção Geral de Alimentação e Veterinária webpage: http://www.dgv.minagricultura. pt/portal/page/portal/DGV/genericos?generico=3665233&cboui=3665233 •Plataforma Transgénicos Fora at http://stopogm.net/ensaios •EU Register of authorised GMOs http://ec.europa.eu/food/dyna/gm_register/index_en.cfm •Global Forest Registry: http://www.globalforestregistry.org/
Risk Rating justification	In Portugal there is not a specific legal framework for GMO trees, but for all vascular plants. This legislation doesn’t prohibit commercial use of GMO

	plants which is legal in the country since 1999. However, only corn (maize) is cultivated (around 6% of the total production). It hasn't been found any recent trial of GM trees in the country. Only related notice was from 1997 when Stora Enso trialed a modified variety of Eucalyptus globulus, which was concluded in 2001. The company (Stora Enso) is no longer in Portugal but is still an industrial global pulp and paper player with interests in GMO. A low-risk conclusion is justified because it was not evidenced interest for GMO use in the forestry sector.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
3.1.1	LULUCF emissions shall be accounted for through one of the following routes: Route A Feedstock may be sourced from a country of origin which is party to the Paris Agreement, and which has submitted a Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC) covering carbon emissions and removals from agriculture, forestry and land use which ensure the changes in carbon stock associated with biomass harvest are counted towards the country's commitment to reduce or limit greenhouse gas emissions, or Route B Feedstock may be sourced from a country of origin which is party to the Paris Agreement and has national or sub-national laws in place (developed in accordance with Article 5 of the Paris Agreement and applicable in the area of harvest), to conserve and enhance carbon stocks and sinks, and provided there is evidence that reported LULUCF-sector emissions do not exceed removals, or Route C Feedstock may be sourced from a Supply Base where an assessment demonstrates that both the carbon stock is stable, and the forests' capacity to act as a carbon sink is stable or increasing over the long term.
Supply Base Verifiers	SBP-endorsed REDII Level A risk assessment for Article 29(7) LULUCF
Risk Rating justification	SBP-endorsed REDII Level A risk assessment for Article 29(7) LULUCF
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
3.1.1	LULUCF emissions shall be accounted for through one of the following routes: Route A Feedstock may be sourced from a country of origin which is party to the Paris Agreement, and which has submitted a Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC) covering carbon emissions and removals from agriculture, forestry and land use which ensure the changes in carbon stock associated with biomass harvest are counted towards the country's commitment to reduce or limit greenhouse gas emissions, or Route B Feedstock may be sourced from a country of origin which is party to the Paris Agreement and has national or sub-national laws in place (developed in accordance with Article 5 of the Paris Agreement and applicable in the area of harvest), to conserve and enhance carbon stocks and sinks, and provided there is evidence that reported LULUCF-sector emissions do not exceed removals, or Route C Feedstock may be sourced from a Supply Base where an assessment demonstrates that both the carbon stock is stable, and the forests' capacity to act as a carbon sink is stable or increasing over the long term.

Supply Base Verifiers	APPLICABLE LEGISLATION: - Regulation (EU) 2018/841. Compliance with this indicator shall be demonstrated at country level. Tec Pellets and Tec Pellets suppliers' operations do not affect mature masses that are at risk of disappearing due to inadequate management.
Risk Rating justification	Regulation (EU) 2018/841 sets out the commitments and rules for the accounting of emissions and removals and the rules for checking the compliance for the land use, land use change and forestry (LULUCF) sector that contribute to achieving the objectives of the Paris Agreement and meeting the greenhouse gas emission reduction target of the Union for 2021 to 2030. Its article 8 determines that accounting for the emissions and removals resulting from managed forest land is calculated as the emissions and removals in the periods from 2021 to 2025 and from 2026 to 2030 minus the value obtained by multiplying by five of the forest reference level (FRL). Spain is party to the Paris Agreement and has submitted a (NDC) Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC).
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**Indicator**
3.2.1	All feedstock sourcing shall be consistent with either of these two options: Option A. Feedstock may be sourced from Supply Bases where an assessment of the Supply Base shows that the forest carbon stocks are stable or increasing, or Option B. Feedstock may be sourced, if the assessment shows that the forest carbon stocks are declining in the Supply Base, provided that the decline is due to natural processes (fire, pests etc.), and sourcing of feedstock has the aim to recover feedstock that would otherwise be lost or to assist regeneration.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forest Law: https://www.boe.es/buscar/act.php?id=BOE-A-2003-21339 - Forest Laws of each of the CCAA under this SBE (Galicia and Castilla y León). - Galician Forest Law; - Law 3/2009, of April 6, on Forests of Castilla y León. Tec Pellets established agreements with its suppliers where the type and characteristics of the feedstock are defined and document control of the feedstock is made at reception.
Risk Rating justification	According to the data offered by the Ministry of Ecological Transition (MITECO) in the Inventory of greenhouse gas emissions for 2022, with data on the 1990-2020 series, forest lands are the largest carbon sink, with values that remain the same more or less stable since 1990, annually absorbing an amount of over 32,000 kt CO 2 -eq. Of these net absorption values, a large part corresponds to the management of forest land that remains as such (forest management), which has remained stable since 1990 at similar values of carbon absorption. On the other hand, studies indicate that in Spain the climate and the type of vegetation widely determine the amount of carbon

	stored in the soil. Wet areas in the north store more carbon in the soil than drier areas in the south and east. On average, each m2 of soil sequestered 8.7 kg of carbon. This value can vary from 6.5 Kg to 11.6 Kg depending on the area. Under the forest floor of Asturias, Galicia, Cantabria and the Basque Country, in this order, the highest carbon stocks per m2 in Spain accumulate (they represent the cooler and wetter Atlantic areas). On the other hand, Murcia, Extremadura and Andalusia are the Autonomous Communities that accumulate the least kg per m2 of carbon in their forest soils (they represent the driest and hottest area, with more typically Mediterranean vegetation). Sources of data include: MITECO: - Carbon Sinks: https://www.miteco.gob.es/es/cambio-climatico/temas/mecanismosdeflexibilidad-y-sumideros/sumideros-de-carbono/ - Spanish Emissions Inventory System: https://www.miteco.gob.es/es/calidady-evaluacion-ambiental/temas/sistema-espanol-de-inventario-sei-/ - National Inventory of Greenhouse Gases (GHG): https://www.miteco.gob.es/es/calidad-yevaluacion-ambiental/temas/sistemaespanol-de-inventario-sei-/Inventario-GEI.aspx - Inventory of greenhouse gas emissions 1990-2021_resumen: https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/sistemaespanol-deinventario-sei-/resumen_inventario_gei_ed_2023_tcm30-560383.pdf - Inventory of greenhouse gas emissions 1990-2020: https://www.miteco.gob.es/es/calidad-yevaluacion-ambiental/temas/sistemaespanol-de-inventario-sei-/es_nir_edicion2022_tcm30-523942.pdf - Soil carbon stocks and their variability across the forests, shrublands and grasslands of peninsular Spain: https://www.biogeosciences.net/10/8353/2013/bg-10-8353-2013.pdf Tec Pellets and Tec Pellets suppliers' operations do not affect mature masses that are at risk of disappearing due to inadequate management.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
3.2.1	All feedstock sourcing shall be consistent with either of these two options: Option A. Feedstock may be sourced from Supply Bases where an assessment of the Supply Base shows that the forest carbon stocks are stable or increasing, or Option B. Feedstock may be sourced, if the assessment shows that the forest carbon stocks are declining in the Supply Base, provided that the decline is due to natural processes (fire, pests etc.), and sourcing of feedstock has the aim to recover feedstock that would otherwise be lost or to assist regeneration.
Supply Base Verifiers	Tec Pellets' 'Environmental Impact Assessment' (EIA)

	Maps, WebPages Procedures Regional, publicly available data from a credible third party The existence of a strong legal framework in the region Felling license Epic WebGis Portugal (http://epic-webgis-portugal.isa.ulisboa.pt/) Quercus NGO (http://www.quercus.pt/comunicados/2011/fevereiro/522-zonas-humidascontinuam-ameacadas-em-portugal) Quercus NGO (http://www.quercus.pt/comunicados-floresta/593-2013/2982-corte-desobreiros-em-santa-maria-da-feira-para-construcao-de-novo-parque-empresarial) , (http://www.quercus.pt/comunicados/2014/junho/3707-abate-de-sobreiros-na-zona-deproteccao-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-e-costavicentina) 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 Portugués (http://naturlink.pt/article.aspx?menuid=3&cid=1145&bl=1&viewall=true) MedWet Mediterranean wetlands initiative (http://medwet.org/aboutwetlands/) Inventario Florestal Nacional IFN5 (FloreStat_IFN5); ICNF portal (http://www.icnf.pt/portal/florestas/ifn/ifn5/rel-fin) Inventario Florestal Nacional IFN6, preliminary results (IFN6 - Resultadospreliminares.pdf); ICNF portal Law 58/2005 29/12; Law 54/2005, at 15/11 (Artº 25º) Titularidade dos recursos hídricos (https://dre.pt/application/dir/pdf1sdip/2005/11/219A00/65206525.pdf)
Risk Rating justification	There is a specified risk of reducing high carbon stocks, but it is not a high one, and by addressing sustainable forest management and the above-mentioned indicators and risks, this indicator is adequately addressed. Considering the positive general trend of carbon accumulation by forests in Portugal, this risk has a regional to local (exceptional) character and is more specifically related to the risks mentioned in the following indicators: a. 2.1.3 (land conversion), b. 2.2.2 (degradation of grounds), and c. 2.4.2 (fires and pests). According to the National Inventory Report on Greenhouse Gases 1995-2015 developed by Portuguese Environment Agency (APA), portuguese forest acted as a carbon sink in the period of the study with a net carbon sequester of 753.2 Gigagrams. The high carbon stocks are considered to be in

	wetlands, peatlands (no forested areas related) and old mature forests stands. Information regarding wetlands in Portugal states that as usual in the region they are threatened ecosystems even when they are protected. Portugal currently has 1.8% of its territory occupied by wetlands, 79% of which is protected by the Ramsar Convention, covering this protection figure of 31 sites (about 132,487 hectares). 82% of habitats related to wetlands are degraded. Epic WebGis Portugal provides geographical information about wetlands. In the revised information one relevant risks is associated to forestry: cutting of riparian vegetation so specified risk needs to be assessed on this issue. Tec Pellets ensure that feedstock does not come from riparian vegetation in wetlands complies with legislation (felling license) and do not affect to carbon stocks. There is an increase of pine areas around the plant in the last decade (Portuguese Forest Inventory) i.e., around the region where Tec operates and its suppliers harvest from, there was an increase of forested areas, both Pine and Eucalyptus. The consumption of Tec Pellets is mainly of wood from the pine species. Forest fires are a big risk in Portugal, which can have a devastating effect on forest carbon. Thinning activities and use of end of life timber by Tec has positive effects on mitigating this risk.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
3.2.2	Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.
Supply Base Verifiers	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].
Risk Rating justification	**Response to SBP Criterion: "Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate."** Tec Pellets implements a strict policy for sourcing primary feedstock, ensuring compliance with local regulations and SBP requirements. The practices in place include:

	1. **Forest Productivity Assessment**: Before sourcing any feedstock, Tec Pellets conducts a detailed analysis of the forest area's productivity, using forest inventory data and information from local authorities. Only areas classified as having adequate productivity are selected for harvesting. 2. **Exclusion of Low-Productivity Areas**: The company avoids sourcing biomass from areas identified as low-productive or difficult to regenerate, as defined by local norms and best forest management practices. 3. **Technical Consultation and Compliance with Local Definitions**: Tec Pellets collaborates closely with technical consultants and forest experts to ensure all sourcing areas are evaluated in accordance with local definitions of forest productivity, avoiding negative impacts on vulnerable ecosystems. 4. **Sustainable Planning and Continuous Monitoring**: The company conducts continuous monitoring of harvesting areas to ensure that no feedstock is sourced from low-productive or difficult-to-regenerate sites. Forest operations are planned to minimize environmental impact and promote long-term sustainability. 5. **Reporting**: Tec Pellets maintains transparent records of the feedstock sourcing areas and provides compliance reports that demonstrate adherence to SBP criteria and local forest productivity standards.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**Indicator**
3.2.2	Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forest Law: https://www.boe.es/buscar/act.php?id=BOE-A-2003-21339 - Forest Laws of each of the CCAA under this SBE (Galicia and Castilla y León). - Galician Forest Law; - Law 3/2009, of April 6, on Forests of Castilla y León. Tec Pellets establishes agreements with its suppliers where the type and characteristics of the feedstock are defined and document control of the feedstock is made at reception.
Risk Rating justification	Available forestry statistics from the National Forest Inventories (IFN3 and IFN4) show a significant increase in timber stocks in Spain from inventory to inventory as a consequence of both the continued increase in forest area in recent decades and the improvement of forest masses. Likewise, according to the reports prepared by the Forest Service of the Ministry, the annual

	growth of wood from Spanish forests (47 million m3) is of the order of three times higher than the amount that is actually cut and used (16 million m 3 per year). This balance, with an extraction rate of 35%, is maintained with the current data. However, the figures are highly variable between Autonomous Communities and range between 10% and 88%. In any case, the cuts are always below the growth. The felling data in 2020 by CCAA and for the whole of Spain (not including Asturias because of lack of available data) is 15 936 844,28 m3 (w/bark): - Softwoods: 8 391 553,86 m3; - Hardwoods: 7 545 290,42 m3. Per CCAA within the SBE: Castilla y León (2020): 1 759 212,74 m3: - coniferous: 1 356 790,65 m3; - hardwood: 402 422,09 m3. Galicia (2020): 8 990 614,00 m3: - coniferous: 3 428 228,00 m3; - hardwood: 5 562 386,00 m3. The levels of use are always well justified. In the eucalyptus trees, the entire mass is used at the end of the shift, while in the pine forests intermediate works and uses are taken, although in all cases the levels of use are conservative, as shown by the statistics and reports.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
3.2.3	feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Law 16/1985, of June 25, on Spanish Historical Heritage: https://www.boe.es/buscar/pdf/1985/BOE-A-1985-12534-consolidado.pdf - Regulation (EU) 2018/841; Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	High Conservation Values (HCV): In Spain there is a systematic legal framework for the protection of natural spaces and areas with high conservation values. In accordance with Law on Natural Heritage and Biodiversity, those areas of the national territory are considered Protected Natural Areas, including continental waters and maritime waters under national sovereignty or jurisdiction, including the exclusive economic zone and the platform continental, which meet at least one of the following requirements and are declared as such:

	- Contain representative, singular, fragile, threatened natural systems or elements or of special ecological, scientific, landscape, geological or educational interest. - Be especially dedicated to the protection and maintenance of biological diversity, geodiversity and associated natural and cultural resources. There are multiple figures and denominations since most of the Autonomous Communities have legislated on this issue: National Storages, Natural Storages, Nature Reserves, Natura 2000 Network Areas, Biosphere Reserves, etc. The protected land area in Spain as of December 2022 represents 14.81% for natural spaces and reaches 27% if the Natura 2000 Network is included, Spain being the Country that contributes the most to RN2000, the main policy instrument conservation union. The protected areas cover both public and private forests. Any harvesting activity that may affect rare or endangered species has limitations specified in the harvest permit. According to the MITECO Nature Data Bank as of December 2022: - Galicia has declared 98 protected areas, both terrestrial and marine, with the terrestrial surface subject to protection of 359,184.41 ha, 12.10% of its terrestrial surface. - Castilla y León has declared 33 protected areas, the land area subject to protection being 813,682.55 ha, 8.64% of its land area. There are also high conservation values linked to cultural assets and prehistoric finds. The Iberian Peninsula is an area with a large number of archaeological and prehistoric remains. There is legislation, both state and regional, that protects and catalogues assets of historical and cultural interest. In the CCAAs that require prior authorization, this already includes any condition to an asset of interest and the measures or restrictions on work that are necessary. In the case of prior communications, if the area is affected by a property of these characteristics, it is necessary to have the pertinent heritage authorization. The action process is also legislated in the event that remains appear during the work. In these cases, the work must be stopped and the findings communicated to the competent administration. There are a good level of governance and a comprehensive legal framework developed for Spanish protected areas, and a good level of control by the CCAAs, which are the competent authorities. The CCAAs have abundant information both on web pages and on e-viewers. Geographic information (GIS) on protected spaces and priority ecosystems, habitat, protected and threatened wild species that are conveniently identified and mapped. In Galicia, for example, the authorization / notification process of a job is carried out on a viewer, https://mapas.xunta.gal/visores/aproveitamentos/ in which all the conditions of the plot/s are already included /s, so it is not possible to avoid the corresponding notification to Patrimony. Therefore, the following action guide is established regarding the identification and delimitation of high conservation values: - For works in public forests, the management services of the CCAAs that are in charge of management have all the necessary information for their identification and mapping. Any limitation to the management related to them is communicated in the award itself. - For work on private farms that require prior authorization to carry out any

	work/forest use (Castilla y León and certain cases in Galicia), are the services of management of the Autonomous Communities who identify and delimit the attributes of high conservation value in such a way that their presence and the consequent limitations to management are reflected in the authorization they issue. - For work on private farms with a Management Plan approved by the competent authority, and therefore with a notification for the work reflected in the approved planning is sufficient, the identification and delimitation work are found in the approved management plan and the operations carried out must adhere to what is indicated there. - For work on private farms in Galicia for fast-growing species where a felling notification is sufficient, the notification process is carried out on a viewer: https://mapas.xunta.gal/visores/aproveitamentos/, in which are included all the conditions of the plot/s, which has increased the level of control regarding the possible High Conservation Values that may exist and that the administration itself reflects in the viewer, being then required to request express approval from the competent body: biodiversity, heritage. - Valid forest management instrument (as in all CCAAs by the Forestry Law), timber or woody use short-term (less than 20 years) or minor domestic use (less than 10 m3 of wood or 20 stereos of firewood); there is still control by the administrations. The notification document specifies that the works cannot begin in 15 days since it is the response time of the Administration, which, in the event of identifying any HCV, establishes conditions/limitations to the use in order to protect the asset. High Carbon Stocks: According to the data offered by the Ministry of Ecological Transition (MITECO) in the Inventory of greenhouse gas emissions for 2022, with data on the 1990-2020 series, forest lands are the largest carbon sink, with values that remain the same more or less stable since 1990, annually absorbing an amount of over 32,000 kt CO2-eq. Of these net absorption values, a large part corresponds to the management of forest land that remains as such (forest management), which has remained stable since 1990 at similar values of carbon absorption. On the other hand, studies indicate that in Spain the climate and the type of vegetation widely determine the amount of carbon stored in the soil. Wet areas in the north store more carbon in the soil than drier areas in the south and east. On average, each m2 of soil sequestered 8.7 kg of carbon. This value can vary from 6.5 kg to 11.6 kg depending on the area. Under the forest floor of Asturias, Galicia, Cantabria and the Basque Country, in this order, the highest carbon stocks per m2 in Spain accumulate (they represent the cooler and wetter Atlantic areas). On the other hand, Murcia, Extremadura and Andalusia are the Autonomous Communities that accumulate the least kg per m2 of carbon in their forest soils (they represent the driest and hottest area, with more typically Mediterranean vegetation). Sources of information include: - Carbon Sinks: https://www.miteco.gob.es/es/cambio-climatico/temas/mecanismosdeflexibilidad-y-sumideros/sumideros-de-carbono/

	- Spanish Emissions Inventory System: https://www.miteco.gob.es/es/calidady-evaluacion-ambiental/temas/sistema-espanol-de-inventario-sei-/ - National Inventory of Greenhouse Gases (GHG): https://www.miteco.gob.es/es/calidad-yevaluacionambiental/temas/sistema-espanol-de-inventario-sei-/Inventario-GEI.aspx - Inventory of greenhouse gas emissions 1990-2021_resumen: https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/sistemaespanol-deinventario-sei-/resumen_inventario_gei_ed_2023_tcm30-560383.pdf - Inventory of greenhouse gas emissions 1990-2020: https://www.miteco.gob.es/es/calidad-yevaluacionambiental/temas/sistema-espanol-de-inventario-sei-/es_nir_edicion2022_tcm30-523942.pdf - Soil carbon stocks and their variability across the forests, shrublands and grasslands of peninsular Spain: https://www.biogeosciences.net/10/8353/2013/bg-10-8353-2013.pdf Based on the above, the risk related to this Indicator is classified as low in in the Autonomous Communities of Galicia and Castilla y León.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
3.2.3	feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).
Supply Base Verifiers	Tec Pellets' 'Environmental Impact Assessment' (EIA) Maps, WebPages Procedures Regional, publicly available data from a credible third party The existence of a strong legal framework in the region Felling license
Risk Rating justification	There is a risk of reducing high carbon stocks, but it is not a high one, and by addressing sustainable forest management and the above-mentioned indicators and risks, this indicator is adequately addressed. Considering the positive general trend of carbon accumulation by forests in Portugal, this risk has a regional to local (exceptional) character and is more specifically related to the risks mentioned in the following indicators: a. 2.1.3 (land conversion), b. 2.2.2 (degradation of grounds), and c. 2.4.2 (fires and pests). According to the National Inventory Report on Greenhouse Gases 1995-2015 developed by Portuguese Environment Agency (APA), Portuguese forest acted as a carbon sink in the period of the study with a net carbon sequester of 753.2 Gigagrams. The high carbon stocks are considered to be in wetlands, peatlands (no forested areas related) and old mature forests

	stands. Information regarding wetlands in Portugal states that as usual in the region they are threatened ecosystems even when they are protected. Portugal currently has 1.8% of its territory occupied by wetlands, 79% of which is protected by the Ramsar Convention, covering this protection figure of 31 sites (about 132,487 hectares). 82% of habitats related to wetlands are degraded. Epic WebGis Portugal provides geographical information about wetlands. In the revised information one relevant risks is associated to forestry: cutting of riparian vegetation so specified risk needs to be assessed on this issue. Tec Pellets ensure that feedstock does not come from riparian vegetation in wetlands complies with legislation (felling license) and do not affect to carbon stocks. · There is an increase of pine areas around the plant in the last decade (Portuguese Forest Inventory) i.e., around the region where Tec operates and its suppliers harvest from, there was an increase of forested areas, both Pine and Eucalyptus. The consumption of Tec Pellets is mainly of wood from the pine species. Forest fires are a big risk in Portugal, which can have a devastating effect on forest carbon. Thinning activities and use of end of life timber by Tec has positive effects on mitigating this risk.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
3.3.1	Feedstock sourcing shall be in compliance with the principles of cascading use, high quality stem wood shall not be used as feedstock if it is in substantial demand for long-lived products in the Supply Base.
Supply Base Verifiers	Tec Pellets's Enviromental Impact Assessment Supply contracts DDS Tec Pellets Feedstock register
Risk Rating justification	Tec Pellets is fully committed to complying with the SBP requirements, particularly regarding the principles of **cascading use** of resources. The company has implemented stringent policies to ensure that its feedstock does not include **high-quality stem wood** that could be directed towards long-lived products. Specifically: 1. **Prioritizing Cascading Use:** Tec Pellets adheres to the principles of cascading use, always prioritizing the utilization of wood residues and by-products from the forestry and wood processing industries, such as wood chips, sawdust, and lower-grade wood. 2. **Supply Base Demand Assessment:** Before sourcing any feedstock, we conduct a thorough analysis of our **Supply Base** to ensure that high-quality stem wood is not diverted from potential use in long-lived products, such as construction, furniture, and other sustainable wood

	applications. 3. **Audits and Supply Chain Control:** Tec Pellets implements a robust system of audits and traceability to ensure that high-quality stem wood is not used as feedstock, thus aligning with SBP requirements. Our commitment is to utilize only materials that are not in **substantial demand** for higher-value, long-lived products. By doing so, Tec Pellets ensures that all operations are carried out responsibly and in accordance with SBP standards, promoting sustainable forest management and contributing to the cascading value chain.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**Indicator**
3.3.1	Feedstock sourcing shall be in compliance with the principles of cascading use, high quality stem wood shall not be used as feedstock if it is in substantial demand for long-lived products in the Supply Base.
Supply Base Verifiers	APPLICABLE LEGISLATION: - EU Forest Strategy: https://environment.ec.europa.eu/strategy/foreststrategy_en#:~:text=The%20new%20EU%20forest%20strategy%20for%202030%20is,55%25%20by%202030% - Royal Decree 376/2022, May 17th: https://www.boe.es/buscar/act.php?id=BOE-A-2022-8121 Tec Pellets establishes agreements with its suppliers where the type and characteristics of the feedstock are defined, and document control of the feedstock is made at reception. Tec Pellets's Enviromental Impact Assessment Supply contracts DDS Tec Pellets Feedstock register
Risk Rating justification	The experience shows that market itself regulates the proper use of wood. There is no commercial logic on with better profit. Wood is a commodity, and the EU laws walk the path to value its resources. At the same the forest and outside of it). Each tree may be entirely used and, as a valuable resource, its use must be optimized priority. Despite the above, the wood industry has cycles of lower production with consequent lower demand and there are various subsectors that develop independently from each other. In those cycles the forest keeps menace exists. There is a growing recognition of the need to align bioenergy policies with the cascading principle of biomass feedstock market. In line with the cascading principle, woody biomass should be used according to its highest following order of priorities: - wood-based products; - extending their life service;

	- re-use; - recycling; - bio-energy; and, - disposal. Tec Pellets is fully committed to complying with the SBP requirements, particularly regarding the principles of **cascading use** of resources. The company has implemented stringent policies to ensure that its feedstock does not include **high-quality stem wood** that could be directed towards long-lived products. Specifically: 1. **Prioritizing Cascading Use:** Tec Pellets adheres to the principles of cascading use, always prioritizing the utilization of wood residues and by-products from the forestry and wood processing industries, such as wood chips, sawdust, and lower-grade wood. 2. **Supply Base Demand Assessment:** Before sourcing any feedstock, we conduct a thorough analysis of our **Supply Base** to ensure that high-quality stem wood is not diverted from potential use in long-lived products, such as construction, furniture, and other sustainable wood applications. 3. **Audits and Supply Chain Control:** Tec Pellets implements a robust system of audits and traceability to ensure that high-quality stem wood is not used as feedstock, thus aligning with SBP requirements. Our commitment is to utilize only materials that are not in **substantial demand** for higher-value, long-lived products. By doing so, Tec Pellets ensures that all operations are carried out responsibly and in accordance with SBP standards, promoting sustainable forest management and contributing to the cascading value chain.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**Indicator**
4.1.1	Freedom of association and the right to collective bargaining shall be respected in the workplace.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Spanish Constitution: https://www.boe.es/buscar/pdf/1978/BOE-A-1978-31229-consolidado.pdf - Workers' Statute: https://www.boe.es/buscar/pdf/2015/BOE-A-2015-11430-consolidado.pdf - Spanish Labour and Social Security Legislation: https://www.boe.es/legislacion/codigos/codigo.php?id=93&modo=1¬a=0&tab=2 - Law 31/1995, of November 8, on Risk Prevention Labour. Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to

	operations.
Risk Rating justification	Labour rights are adequately protected in Spain, including those specified in the ILO's fundamental principles. Spain has ratified the ILO's 8 Fundamental Conventions. One of the fundamental legal principles that underpins the current system of labour relations in Spain is the one contained in section 1, article 28 of the Spanish Constitution, which recognises freedom of association as being a fundamental right for all people to freely form trade unions. Article 37 of the Constitution, together with articles 35 and 38, covers the constitutional framework of labour relations. Pursuant to that precept, the law must guarantee the right to collective labour bargaining and the binding force of conventions, in addition to recognising the rights of workers and businesspeople to take industrial action. The law that regulates the exercise of that right, without prejudice to the limitation that may be set, shall include the guarantees needed to ensure the functioning of the community's essential services. There is a National Plan to fight illegal employment and Social Security fraud. Labour inspectors from Government appointed authority check labour and safety rights. Companies are inspected in respect of those matters, with violations being sanctioned and corrected. No relevant violations were found of the laws or rights of free association and collective bargaining in relation to the forestry sector. None of the concerns is directly related to the forestry sector. Risk rating is also in line with the FSC-NRA-ES V1-1. Tec Pellets is FSC and PEFC certified and sources in Spain in duly managed community forest areas.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
4.1.1	Freedom of association and the right to collective bargaining shall be respected in the workplace.
Supply Base Verifiers	Legislation Level of enforcement Portuguese constitution Regional, publicly available data from a credible third party Publicly available information (News and media) 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 WWW.ILO: http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO::P13100_COMMENT_ID,P13100_LA NG_CODE:3253858,en:NO Overview of ILO convention ratifications by Portugal: http://www.ilo.org/public/portugue/region/eurpro/lisbon/html/portugal_convencoes_numero_pt.htm ITUC Global RIGhTs Index The woRld's woRsT CoUnTRIes foR workers:

	http://www.ituc-csi.org/IMG/pdf/survey_ra_2014_eng_v2.pdf Labor Code Law n.º 7/09 12/02 and updates like L69/13, de 30/08 includes collective convention http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx Portuguese Constitution Government sources: SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/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/ http://sol.sapo.pt/artigo/500544/utilizacao-de-drones-pela-inspeccao-geral-do-trabalho-gerapolemica ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT)
Risk Rating justification	Portugal has signed the ILO fundamental conventions, which includes the C87 Freedom of Association and Protection of the Right to Organize Convention (1948) on 1977th and C98 Right to Organize and Collective Bargaining Convention (1949) on 1964. This right is included on Portuguese constitution on article 56. Most part of working activities is covered by an annual working collective convention, which includes the forest sector. International Trade Union Confederation (IUTC) ranks 139 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. Portugal has a rating of 3, from 1 to 5+, in the ITUC Global Rights Index 2014. This score is given for countries where: (There are) 'Regular violation of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.' Authority directly involved on employment rights and conditions is Work Conditions Authority (ACT) but for many reasons other authorities are related to the issue, as Immigration and Borders Services (SEF) social security services or even tax services. All of them can make inspections to different issues related to work, with the joining of policies authorities as GNR Republican National Guard and PSP-Public Security Police. ACT has strategic Plans for Agriculture and Forest activities and also does integrated inspections with Spanish authorities for agriculture and forestry activities. Recently one notice state that ACT bought a drone to help agriculture and forestry inspections. Inspective activities of ACT and SEF

	result on penalties or suspensions when illegal situations are found. It wasn't found law violations identified on the right of freedom of association and collective bargaining in Portuguese forest sector. According to the available information this indicator is classified as low risk.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
4.1.2	Forced or compulsory labour shall not be used.
Supply Base Verifiers	Legislation Level of enforcement Regional, publicly available data from a credible third party Publicly available information (News and media) III National Plan to Prevent and Combat Trafficking in Human Beings 2014-2017 at http://www.igualdade.gov.pt/images/stories/documentos/legislacao/legislacao/Planos_Nacionais/2014-2017-iii-pnpc-tsh-en.pdf Observatory on Traffic in Human Beings: http://www.otsh.mai.gov.pt/Recursos/Pages/default.aspx Reports of Observatory on Traffic in Human Beings: 2015 ; 2014 ; 2013; 2012 ; 2011 Overview of ILO convention ratifications by Portugal: http://www.ilo.org/public/portugue/region/eurpro/lisbon/html/portugal_convencoes_numero_pt.htm ITUC Global RIGhTs Index The woRld's woRsT CoUnTRIes foR workers: http://www.ituc-csi.org/IMG/pdf/survey_ra_2014_eng_v2.pdf Government sources: SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/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-do-trabalho-gerapolemica ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT
Risk Rating justification	Portugal has ratified the convention against forced labour (nº29) in 1956.

	Portuguese legislation is applied against any form of compulsory labour in accordance with Article 160 of the Criminal Code, one who offers, gives, servicemen, call 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. Source: § (Article 160 of Decree-Law No. 400/82 Penal Code amended by Law No. 59/2007 and Law No. 60/2013) International Trade Union Confederation (IUTC) ranks 139 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. Portugal has a rating of 3, from 1 to 5+, in the ITUC Global Rights Index 2014. This score is given for countries where: (There are) 'Regular violation of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.' Some cases of compulsory labour were found on agriculture activities on recent years, and same data is available about those cases on Observatory on Traffic in Human Beings Reports. Authority directly involved on employment rights and conditions is Work Conditions Authority (ACT) but for many reasons other authorities are related to the issue, as Immigration and Borders Services (SEF) social security services or even tax services. All of them can make inspections to different issues related to work, with the joining of policies authorities as GNR Republican National Guard and PSP-Public Security Police. ACT has strategic Plans for Agriculture and Forest activities and also does integrated inspections with Spanish authorities for agriculture and forestry activities. Recently one notice state that ACT bought a drone to help agriculture and forestry inspections. Inspective activities of ACT and SEF result on penalties or suspensions when illegal situations are found. Nevertheless, in forestry there wasn't found any evidence confirming the existence of risks of compulsory and/or forced labour in Portugal. According to the available information this indicator is classified as low risk.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
4.1.2	Forced or compulsory labour shall not be used.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Workers' Statute: https://www.boe.es/buscar/pdf/2015/BOE-A-2015-11430-consolidado.pdf - Spanish Labour and Social Security Legislation: https://www.boe.es/legislacion/codigos/codigo.php?id=93&modo=1¬a=0&tab=2 - Law 31/1995, of November 8, on Risk Prevention Labour. Best practices are considered and monitored by Tec Pellets and its suppliers,

	and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	Labour rights are adequately protected in Spain including those specified in the ILO fundamental principles. Spain has ratified the 8 ILO Fundamental Conventions. Spain has long experience in the fight against forced labour. It was one of the first countries to ratify the Forced Labour Convention, 1930 (No. 29), in 1932. It has developed a strong legal and institutional framework to combat trafficking in persons: in particular with the constant adaptation of repressive provisions pertinent to the Penal Code; with the adoption in 2009 of a first Comprehensive Plan against trafficking in human beings; and with the specific role played by the labour inspectorate in the detection of criminal conduct derived from exploitation at work or human trafficking. There is a Spanish Government Plan to combat illegal employment and Social Security fraud. Labour inspectors are the authority designated by the Government for the control of labour and safety rights. Inspections are carried out on companies in this regard, and the infractions detected are sanctioned and corrected. There are no relevant violations of the laws regarding forced labour linked to the forestry sector. Tec Pellets is FSC and PEFC certified and sources in Spain in duly managed community forest areas.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
4.1.3	Child labour shall not be used.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Workers' Statute: https://www.boe.es/buscar/pdf/2015/BOE-A-2015-11430-consolidado.pdf - Spanish Labour and Social Security Legislation: https://www.boe.es/legislacion/codigos/codigo.php?id=93&modo=1¬a=0&tab=2 - Law 31/1995, of November 8, on Risk Prevention Labour. Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	Labour rights are adequately protected in Spain including those specified in the ILO fundamental principles. Spain has ratified the 8 ILO Fundamental Conventions. On the other hand, there are certain concerns regarding civil rights in Spain reflected in reports from international organizations such as Amnesty International, see the 2021 report on Spain. None of the concerns is directly related to the forestry sector or to the work of pruning and substitution of species that give rise to agricultural wood chips. In the agricultural sector, there is a greater perception of the existence of abuses or lack of protection

	of workers, especially immigrants, linked to greenhouses and intensive production areas (mainly arable crop areas) that are regularly reflected in the media. The International Trade Union Confederation (IUTC) regularly publishes reports on working conditions, the latest in 2020 covering 144 countries: https://www.ituccsi.org/ituc-global-rights-index-2020?lang=en, carrying out a study under 97 internationally recognized Indicators. Spain maintains the assessment of 2, in a range from 1 to 5 (where 1 is the best situation). This index can be monitored on the IUTC website: https://www.globalrightsindex.org/es/2022/countries/esp, which in 2022 data for Spain maintains a rating of 2, with a perspective of improvement. The Workers' Statute establishes in its article 6. “Work of minors: 1. Admission to work is prohibited for minors under sixteen years of age. 2. Workers under eighteen years of age may not perform night work or those activities or jobs with respect to which limitations are established on their hiring in accordance with the provisions of Law 31/1995, of November 8, on Risk Prevention Labour, and in the applicable regulatory standards. 3. Minors under eighteen years of age are prohibited from working overtime. 4. The intervention of minors under sixteen years of age in public shows will only be authorized in exceptional cases by the labour authority, provided that it does not pose a danger to their health or to their professional and human training. The permission must be in writing and for certain acts.” There is a Spanish Government Plan to combat illegal employment and Social Security fraud. Labour inspectors are the authority designated by the Government for the control of labour and safety rights. Inspections are carried out on companies in this regard, and the infractions detected are sanctioned and corrected. There are no relevant violations of the laws regarding child labour linked to the forestry sector. Tec Pellets is FSC and PEFC certified and sources in Spain in duly managed community forest areas.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
4.1.3	Child labour shall not be used.
Supply Base Verifiers	Tec Pellets and Tec Pellets suppliers work contracts Existing legislation Level of enforcement Regional, publicly available data from a credible third party Publicly available information (News and media) Legislation: Labor Code •Law n.º 7/09 from 12/02 http://www.act.gov.pt/(pt-PT)/Legislacao/Codigodotrabalhoatualizado/Paginas/default.aspx Law n.º 47/2012, de 29/08 at http://www.cnasti.pt/cnasti/documentos/1403451265.pdf

	Decree Republic President 28/2000 1/06 at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_182.pdf Republic Assembly Resolution 11/98 at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/conv_138.pdf Government sources: SEF Statistical Annual reports: http://sefstat.sef.pt/relatorios.aspx SEF Inspective news about forest sector: http://www.sef.pt/portal/v10/PT/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-do-trabalho-gerapolemica ACT Strategic Plan for Agriculture and Forestry Activities: http://www.act.gov.pt/(pt-PT)/Campanhas/Campanhasrealizadas/Trabalho_Agricola_Florestal/Documents/Relat%C3%B3rio%20-%20Plano%20a%C3%A7%C3%A3o%20setor%20agr%C3%ADcola%20e%20florestal.pdf Other Sources: Overview of ILO convention ratifications by Portugal: http://www.ilo.org/public/portugue/region/eurpro/lisbon/html/portugal_convencoes_numero_pt.htm Social characterization of aggregates Portuguese Family with Children in School Age http://www.cnasti.pt/cnasti/documentos/1403450788.pdf UNICEF Innocenti Research Centre (2012), 'Measuring Child Poverty: New league tables of child poverty in the world's rich countries', Innocenti Report Card 10, UNICEF Innocenti Research Centre, Florence at ITUC Global RIGhTs Index The woRld's woRsT CoUnTRIes foR workers: http://www.ituc-csi.org/IMG/pdf/survey_ra_2014_eng_v2.pdf
Risk Rating justification	In Portugal the minimum age for employment is 16 years. A minor of 16-year-old can't be used to carry out a paid activity delivered with autonomy unless he / she has completed compulsory education or is enrolled and attending secondary education and is a work light. This light work should consist of simple tasks and is not likely to adversely affect the physical integrity, safety and health, school attendance, or their, moral, psychological, intellectual and cultural physical well-being. (Art.le 66-83 of the Labour Code) 2009. Portugal has ratified Minimum Age Convention (1973) C138 in 1989th and the

	convention C182 Worst Forms of Child Labour Convention (1999) on 2000th. International Trade Union Confederation (IUTC) ranks 139 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. Portugal has a rating of 3, from 1 to 5+, in the ITUC Global Rights Index 2014. This score is given for countries where: (There are) 'Regular violation of rights. The government and/or companies are regularly interfering in collective labour rights. There are deficiencies in laws and/or certain practices which make frequent violations possible.' UNICEF report 2012 'Measuring Child Poverty was rating 14,7% of Portuguese children below 16 years age as below 'poverty line'. Robust data about child labour are not recent, as the last official inquiry report is from 2001, and the results were not positive as 4,1% of children of the study were affected by child labour (CNASTI), with half of this proportion related to agriculture. 2015: FSC Portugal CNRA report states 'Despite evidence of some (remaining) cases of child Labour, there is evidence that this problem is not structural nor of large size. No evidence found of cases of child labour in the forest sector. The national CWRA explicitly mentions 'child labour in the forest sector in Portugal is very low'. There is evidence that the number of minors working illegally is rather insignificant. Authority directly involved on employment rights and conditions is Work Conditions Authority (ACT) but for many reasons other authorities are related to the issue, as Immigration and Borders Services (SEF) social security services or even tax services. All of them can make inspections to different issues related to work, with the joining of policies authorities as GNR Republican National Guard and PSP-Public Security Police. ACT has strategic Plans for Agriculture and Forest activities and also does integrated inspections with Spanish authorities for agriculture and forestry activities. Recently one notice state that ACT bought a drone to help agriculture and forestry inspections. Inspective activities of ACT and SEF result on penalties or suspensions when illegal situations are found. Based on the available information it wasn't found any evidence confirming the existence of risks of child labour in forestry in Portugal.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
4.1.4	Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.
Supply Base Verifiers	Financial documents, work contracts, Tec Pellets manual, Company policy
Risk Rating justification	Tec Pellets upholds a policy of equal opportunity and non-discrimination, ensuring that all workers are treated fairly and respectfully at every stage of their employment. The company's practices include:

	1. **Fair and Inclusive Hiring Policy**: The company conducts recruitment and selection processes based solely on the qualifications, skills, and experience of candidates, without any discrimination based on gender, age, race, religion, sexual orientation, disability, or any other protected characteristic. 2. **Equal Pay**: Tec Pellets ensures that all employees are fairly compensated based on objective criteria, such as job role and professional experience. There is no wage discrimination, and the company follows equal pay guidelines for work of equal value. 3. **Equal Access to Training and Development**: All employees have access to the same opportunities for training and professional development, regardless of their background or personal characteristics. The company promotes training programs to support the growth and career advancement of all staff. 4. **Promotion and Career Advancement**: Promotions and career advancement decisions are based on merit, performance, and qualifications, ensuring equal opportunities for all employees without any form of discrimination. 5. **Non-Discriminatory Termination and Retirement Policy**: Tec Pellets follows a clear and transparent process for contract termination and retirement, respecting the rights of all workers. Decisions regarding termination are based on legal and performance criteria, never on discriminatory factors. 6. **Code of Conduct and Awareness Training**: The company has implemented a code of conduct that prohibits any form of discrimination and provides regular training to employees on inclusive and respectful workplace practices. 7. **Whistleblowing Mechanism**: Tec Pellets provides a safe and confidential channel for employees to report any cases of discrimination. All reports are investigated impartially and promptly, with corrective actions taken when necessary.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**Indicator**
4.1.4	Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Workers' Statute: https://www.boe.es/buscar/pdf/2015/BOE-A-2015-11430-consolidado.pdf - Spanish Labour and Social Security Legislation: https://www.boe.es/legislacion/codigos/codigo.php?id=93&modo=1¬a=0&tab=2 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to

	operations.
Risk Rating justification	Labour rights are adequately protected in Spain including those specified in the ILO fundamental principles. Spain has ratified the 8 ILO Fundamental Conventions. According to the information available, and in line with FSCNRA-ES V1-1 there is no evidence has been found to confirm relevant risks of employment discrimination linked to the forestry sector. Tec Pellets is FSC and PEFC certified and sources in Spain in duly managed community forest areas.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**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
Supply Base Verifiers	APPLICABLE LEGISLATION: - Workers' Statute: https://www.boe.es/buscar/pdf/2015/BOE-A-2015-11430-consolidado.pdf - Spanish Labour and Social Security Legislation: https://www.boe.es/legislacion/codigos/codigo.php?id=93&modo=1¬a=0&tab=2 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	Labour rights are adequately protected in Spain including those specified in the ILO fundamental principles. Spain has ratified the 8 ILO Fundamental Conventions. In Spain, the Government sets annually, after consultation with the representative trade union organizations and business associations, the "Minimum Interprofessional Wage", both for permanent workers and for temporary or temporary workers, as well as for domestic employees, taking into account the Consumer Price Index, the average national productivity achieved, the increase in labour participation in national income and the general economic situation. There are several collective bargaining agreements for forestry sector for each province. In recent years, the increase in this minimum wage has been considerable, going from a value set for 2018 of 735.9 euros/ month to 1,080 euros/ month for 2023. There are usually sectoral collective agreements with the remunerations and conditions established for workers of the sector. There is a Spanish Government Plan to combat illegal employment and Social Security fraud. Labour inspectors are the authority designated by the Government for the control of labour and safety rights. Inspections are carried out on companies in this regard, and the infractions detected are sanctioned and corrected. Tec Pellets is FSC and PEFC certified and sources in Spain in duly managed community forest areas.
Risk Rating	Low Risk

Portugal Mainland	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
Supply Base Verifiers	Financial documents, work contracts, Tec Pellets manual, Company policy
Risk Rating justification	Tec Pellets fully complies with Portuguese labor legislation regarding wages, ensuring that all employees receive fair and appropriate remuneration. The implemented practices include: 1. **Compliance with Legal Minimum Wage**: Tec Pellets pays all its workers at least the national minimum wage established by law, which is updated annually by the Portuguese government. As of 2024, the national minimum wage is €820, in accordance with current legislation. 2. **Wages Above Industry Standards**: In addition to meeting the legal minimum wage, the company regularly reviews its wage structure to ensure that payments are competitive and, whenever possible, above industry standards. 3. **Annual Wage Review and Adjustment**: Tec Pellets conducts an annual salary review, taking into account cost of living increases, inflation, and industry wage practices to provide fair compensation adjusted to current economic conditions. 4. **Compliance with Collective Bargaining Agreements**: Where applicable, the company also follows collective bargaining agreements to ensure that wages and benefits align with sector agreements and industry best practices. 5. **Transparency and Employee Communication**: All workers are clearly informed about their wage conditions and receive a detailed payslip, itemizing all components of remuneration, including overtime, allowances, and benefits. 6. **Internal Monitoring and Auditing**: The company conducts regular internal audits to verify compliance with legal requirements and ensure that no worker receives less than the minimum established by law or industry norms.
Risk Rating	Low Risk

Portugal Mainland	Indicator
4.1.6	Working hours shall comply with legal requirements.

Supply Base Verifiers	Financial documents Work contract
Risk Rating justification	Tec Pellets fully complies with Portuguese labor legislation regarding working hours, ensuring that all practices are aligned with the Portuguese Labor Code and relevant regulations. The measures adopted include: 1. **Compliance with Legal Working Hours**: Tec Pellets respects the legal working hours limit set by law, which is 40 hours per week and 8 hours per day, as stipulated by the Portuguese Labor Code (Law No. 7/2009 of February 12). 2. **Management of Overtime Hours**: Overtime work is limited and only carried out when necessary, in compliance with Portuguese legislation. Employees are properly compensated for overtime hours according to the legally defined overtime pay rates (Law No. 93/2019 of September 4). 3. **Rest Periods and Breaks**: The company ensures that employees are entitled to daily and weekly rest periods, including mandatory breaks during working hours and the right to a weekly rest day, as required by law. 4. **Working Hours Record-Keeping**: Tec Pellets maintains accurate records of employee clock-in and clock-out times, in accordance with legal requirements. The time-tracking system is regularly audited to ensure transparency and compliance. 5. **Employee Dialogue and Engagement**: The company fosters a collaborative work environment and maintains an open line of communication with employees and their representatives to address issues related to working hours and ensure compliance with all applicable regulations.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
4.1.6	Working hours shall comply with legal requirements.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Workers' Statute: https://www.boe.es/buscar/pdf/2015/BOE-A-2015-11430-consolidado.pdf - Spanish Labour and Social Security Legislation: https://www.boe.es/legislacion/codigos/codigo.php?id=93&modo=1¬a=0&tab=2 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	Labour rights are adequately protected in Spain including those specified in the ILO fundamental principles. Spain has ratified the 8 ILO Fundamental

	Conventions. Spain's workers are well looked after. Spanish labour laws set proper standards and offer robust protections to ensure employee safety, well-being, and job security. For example, workers have access to fair wages, decent working hours and conditions, a reasonable amount of vacation days, and social support. A full-time work week in Spain has a maximum of 40 hours (i.e., nine hours per day with one hour for lunch). Employees must take a 15-minute break after working for six consecutive hours. Similarly, they must have a minimum of one and a half uninterrupted days of rest time per week. This usually includes all of Sunday and either Saturday afternoon or Monday morning. Also, there must be at least 12 hours between the end of one working day and the start of the next. Your work contract must include concrete working hours and their weekly distribution, as well as compensation for overtime. Employees can only work extra hours if they've agreed to do so. However, the labour code prohibits more than 80 hours of paid overtime per year. This threshold does not include overtime compensated with rest time, or work carried out to prevent or repair extraordinary and urgent damage. It's also worth noting that overtime at night is illegal, with very few exceptions. Under Spain's labour laws, employees have the right to (ask for) flexible working hours. For example, workers can request to reduce their hours to care for a sick family member. Employers are legally required to consider these requests seriously and can only refuse them based on justified business reasons. If you exercise these rights to work-life balance, you may not suffer any detriment as a result. Likewise, you have the right to take time off due to urgent family reasons. Special rules apply to workers who are between 16-18 years old, 16 being the minimum employment age in Spain. The labour legislation stipulates that underaged employees: - May work for up to eight hours a day across employers, including training. - Require a 30-minute break after four and a half hours of continuous work. - Must have at least two consecutive days of rest time per week. - Cannot perform work at night or activities that are unhealthy, dangerous, or distressing. Tec Pellets is FSC and PEFC certified and sources in Spain in duly managed community forest areas.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**Indicator**
4.1.7	Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation
Supply Base Verifiers	APPLICABLE LEGISLATION: - Workers' Statute: https://www.boe.es/buscar/pdf/2015/BOE-A-2015-11430-consolidado.pdf - Spanish Labour and Social Security Legislation: https://www.boe.es/legislacion/codigos/codigo.php?id=93&modo=1¬a=0&tab=2

	- Law 31/1995 of November 8, modified by Law 54/2003. - Regulation of Prevention Services: Royal Decree 39/1997, of January 17 and the changes introduced to it by Royal Decree 780/1998, of 30 April, and by Royal Decree 604/2006, of May 19. Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	For any labour activity, Law 31/1995 of November 8, modified by Law 54/2003, is applicable, which legally regulates the basic framework for the protection of the safety and health of workers against the risks arising from work. On the other hand, it is also necessary to indicate the application to forestry work of the Regulation of Prevention Services, and the modifications introduced to it by Royal Decree 780/1998, of 30 April, and by Royal Decree 604/2006, of May 19. Labour inspectors are the authority designated by the Government for the control of labour and safety rights. It is found that the agricultural and forestry sectors are considered when scheduling labour inspections and that there are specific plans for the sector. The inspectors carry out inspections of the companies, and the infractions detected are sanctioned and corrected.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
4.1.7	Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation
Supply Base Verifiers	Documents of social security. Financial documents. Health insurance.
Risk Rating justification	Tec Pellets ensures that all employees have access to health care and social protection benefits as required by Portuguese law, fully complying with legal obligations and providing a comprehensive social support system. The measures in place include: 1. **Health Care and Social Security Coverage**: All Tec Pellets employees are registered with the Portuguese Social Security System, which guarantees access to health care services, including public medical and hospital services through the National Health Service (SNS). 2. **Sickness Benefits**: Employees are entitled to sickness benefits provided by Social Security in cases of temporary incapacity for work due to illness, in accordance with Portuguese legislation. 3. **Retirement Benefits**: The company fulfills its mandatory

	contributions to Social Security, ensuring that employees are eligible for pension benefits upon reaching the legal retirement age. 4. **Invalidity Benefits**: Tec Pellets contributes to the Social Security system, which offers invalidity pensions in cases of permanent incapacity for work. 5. **Death Benefits**: In the event of an employee's death, the company ensures that dependents have access to survivor benefits, as stipulated by Social Security regulations. 6. **Workers' Compensation for Accidents**: All employees are covered by a work accident insurance policy, which provides compensation in the case of occupational accidents, including medical expenses, rehabilitation, and financial compensation if applicable. 7. **Information and Access to Benefits**: The company ensures that all employees are well-informed about their rights and social benefits. Informational sessions and explanatory materials are provided to facilitate access to these provisions.
Risk Rating	Low Risk

Portugal Mainland	Indicator
4.1.8	Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.
Supply Base Verifiers	Annual training plan and effectiveness evaluation. Training records. Training certificates.
Risk Rating justification	**Tec Pellets adopts a continuous training policy to ensure that all workers have the necessary skills and knowledge to meet the conditions set out in the SBP Standards relevant to their responsibilities. The actions implemented include:** 1. **Initial and Ongoing Training**: All workers receive initial training, covering the relevant elements of the SBP Standards, with an emphasis on practices and procedures specific to their roles. Additionally, the company provides ongoing training to reinforce learning and ensure updates on new standards and regulations. 2. **Customized Content**: Training is tailored according to the responsibilities of each worker, addressing the aspects of the SBP Standards directly applicable to their roles. For example, workers responsible for environmental management receive specific training on the preservation of natural resources and sustainable practices required by the standards. 3. **Awareness and Sensitization Sessions**: Tec Pellets conducts periodic awareness sessions on the importance of complying with the SBP Standards, focusing on ethics, safety, and sustainability

	practices, to ensure that all employees understand the importance of their role in meeting the criteria.
Risk Rating	Specified Risk

Spain Galicia and Castilla y León	**Indicator**
4.1.8	Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law 31/1995 on Occupational Risk Prevention: https://www.boe.es/buscar/pdf/1995/BOEA-1995-24292-consolidado.pdf - Royal Decree 39/1997 approving the Prevention Services Regulation: https://www.boe.es/buscar/pdf/1997/BOE-A-1997-1853-consolidado.pdf - Spanish Labour and Social Security Legislation: https://www.boe.es/biblioteca_juridica/codigos/codigo.php?id=93&modo=2¬a=0&tab=2 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	In Spain companies are required to comply with the H&S legislation, for which they normally hire a third-party prevention service that is in charge of carrying out the study of the company's occupational risks, implementing the necessary measures to minimize them and addressing the adequate training of workers. of the company It is through this channel that training is offered to all company personnel. Tec Pellets has an implemented system that covers all aspects required, ensuring that the legislation on Occupational Health and Safety is complied with, including the adequate training of workers. Tec Pellets verifies all the documentation related to the working conditions of the workers, including training through the Training Certificates and necessary information. In the case of suppliers, Tec Pellets includes in the agreements signed the right of access to information related to the training of the personnel of the supplier company. Tec Pellets trains its personnel on best forest management practices and all other relevant aspects and demands the same from its feedstock suppliers. Training records are obligatory according to legislation and records of qualification are collected during supplier qualification process and checked during supplier inspections. Tec Pellets performs supplier inspections: the training records, (new) workforce, and the hiring of specialists. The level of knowledge of personnel is inspected during site visits.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**

4.1.9	Mechanisms shall be in place for resolving grievances and disputes in the workplace.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Civil Code: https://www.boe.es/buscar/pdf/1889/BOE-A-1889-4763-consolidado.pdf - Spanish constitution: https://www.boe.es/buscar/pdf/1978/BOE-A-1978-31229-consolidado.pdf - Workers' Statute: https://www.boe.es/buscar/pdf/2015/BOE-A-2015-11430-consolidado.pdf - Forestry Law (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Spanish Labour and Social Security Legislation: https://www.boe.es/biblioteca_juridica/codigos/codigo.php?id=93&modo=2¬a=0&tab=2 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Law 3/2009 of Forests of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	In Spain there are clear and well-known legal channels for resolving conflicts that are also regulated by the corresponding laws. There is a legal framework of reference regarding land use and ownership rights, forest management activities and workers' conditions. The exiting legal framework and different laws clearly define the responsibilities and duties of the people involved in these matters, as well as providing a clear framework for appeals or complaints in the event of disputes concerning these issues. Besides that, Tec Pellets is FSC and PEFC certified, sources in Spain in duly managed community forest areas, and has implemented accordingly complaint procedures.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
4.1.9	Mechanisms shall be in place for resolving grievances and disputes in the workplace.
Supply Base Verifiers	Tec Pellets' 'Procedimento para aquisição de matéria prima' Existing legal systems Level of enforcement Forest Best Management Practices Renting and harvesting contracts Labour Code: Law n.º 7/09 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 justification	Although this risk is addressed in the general legal framework of Portugal, Tec Pellets is of the opinion that this indicator needs additional attention as a 'safety net', in order to perform well on other indicators, which are categorised 'specified risk'. Because of the very large number of land owners with extremely small forested properties in Portugal, and, for example, the lack of cadastral in some regions of the country, Tec Pellets actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before the harvesting operations commence. The procedures assess the work of Tec's harvesting teams and feedstock suppliers. The feedstock suppliers are also required to actively implement a complaint procedure and keep records (which are checked). Tec Pellets takes seriously any complaint of any person or organisation considering harvesting operations. This also improves performance on respecting local interests (HCV5) and cultural values (HCV 6). Grievances and disputes, including those relating to tenure and use rights, forest management practices and work conditions in Portugal are regulated by laws. Legal framework includes the Portuguese Constitution, the Labour Code and other specific regulations. The detailed procedures, duties and responsibilities of involved persons are defined in both legislation and other legal regulations. Legislation and justice system provides a route for appeal should people or companies be dissatisfied with the outcome of the dispute resolution process. Land tenure and use rights are object of Civil Code, being land tenure included on private property rights on Constitution article 62th. These rights include communitarian forests and also Forest Renting/leasing contracts. Disputes about forest management practices would involve forest authorities ICNF on both public and private forests. Specific forest management practices should be included on renting and forest services contracts as harvesting contracts. The disputes related to work conditions shall be resolved according to administrative procedures and labour legislation. Trade unions may help in disputes over work conditions. Tec Pellets have an internal procedure for resolving grievances and disputes 'aquisiçao de matéria prima': Firstly our specialist need to collect this information: • Identification of the plot / area (building permit); • Identification of the owner (citizen card); • Proof of the relationship between the seller and the land in question; • Mapping; • Formalization of the business through a purchase and sale agreement between the parties; • Invoice or self-invoice if the seller can not do it. In addition to the information collected, at least one site visit is always conducted with the owner or his representative, where information is taken about: • Type of vegetation / species; • Ground boundaries / Confrontations;

	• Accesses. This procedure also indicates the resolution of grievances and disputes, including those relating to tenure and land use rights to forest (or land) management practices and working conditions. Whenever any of the above occurs, the technical responsible is contacted and called to the location whenever necessary. In the case of Work Accidents, Theft and Forest Fires and after ascertaining the severity of the situation are contacted the competent entities, as well as the Department of Hygiene, Security of the company. In case of Failures or maintenance, the means are put on the ground in order to solve the situation. These means can be from the company itself or from the company representative of the equipment. In case of Complaint related to court, the person in charge of the company meets at the place of court with all parties involved (seller / claimant or other). When the facts are proven and all parties are heard, the responsible person decides to adjust the business according to what happened. The closing of the complaint can be done in two ways: • If the claimant understands the purchase, the remaining portion. That is, a new buying process is opened where one makes the acquisition of what was cut by lapse together with what is standing; • The claimant does not accept to sell the remaining portion. The wood cut is evaluated and paid to the owner considering the occurrence as a payment of damages to the owner.
Risk Rating	Specified Risk

Portugal Mainland	**Indicator**
4.1.10	Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.
Supply Base Verifiers	Tec Pellets has a rigorous control system and adequate procedures on the health and safety of forest workers. Tec Pellets (contractually) demands the same from its feedstock suppliers and checks the health safety of harvesting personnel during its monitoring inspections. During the feedstock supplier's office inspections of Tec Pellets are checked: the training records, workforce, and the hiring of specialists in forest security. Protective equipment (according to the applicable law) and knowledge of personnel is inspected during site visits. Tec Pellets' monitoring procedure includes 2 checklists: a) Feedstock suppliers (CL 02 - Check List Documental Verification Suppliers); b) Harvest operations (CL 01 - Check List Forest Exploration Suppliers). Tec Pellets ensures: • Accredited professional courses (chainsaws, machinery operator, phytopharmaceuticals applicator) card and/or specific certificates of training sessions. • Records of H& S procedures and Personal Protection Equipment distribution by the organization. Record of machinery safety tools and

	equipment's on original documental register.
Risk Rating justification	In Portugal, health and safety at work is heavily regulated in accordance with the legislation presented, which covers all forestry and forestry-related activities, namely the requirements for collective and personal protective equipment, the use/verification of forestry machinery and the use of plant protection products. ACT (Working Conditions Authority) 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 estimated 9000 employers and employees were reached throughout the development of this plan as well as 560 associative managers and technicians. The plan also comprised an inspective component materialized in 1700 inspections over 3 years reaching 10 000 workers. The National Strategic Plan for The Health and Safety at Work 2015-2020 was launched in May 2016 and it establishes the following strategic objectives: i) Promote the well-being at work and competitiveness of companies. ii) Decrease work accidents by 30% and the incidence rate of work accidents by 30% iii) Decrease the risk factors related to occupational diseases. In order to pursue the proposed objectives, a total of 31 measures will be carried out. Data from INE (National Statistics Institute) shows that overall fatal accidents at work decreased from 2011 to 2014 (196 to 160 deaths), as well as fatal accidents in the forestry, agriculture and fishing sector (29 to 25) in the same period. [1] The primary sector accounts for around 20% of fatal accidents occurring in one year in Portugal and employs around 7% of the employed population. More recent numbers from ACT (Work Authority) show 16 fatal accidents in 2016 in the primary sector, the lowest number in 10 years. This shows a trend of reduction. ACT reported 5 severe work accidents occurring in the Forestry sector in 2014, 10 in 2015 and 6 in 2016. The number of fatal accidents reported was 2, 4 and 8 respectively, for the same period. Law No. 98/2009, September 4th, governs the regime for the repair of work accidents and occupational disease. (http://www.act.gov.pt/(pt-PT)/CentroInformacao/Estatistica/Paginas/default.aspx) Assessment of law enforcement Authorities with specific jurisdiction for licensing and inspecting the provisions of health and safety at work legislation in Portugal are: – ACT (Autoridade para as condições do Trabalho) [Working Conditions

	Authority]; – DGS (Direcção Geral de Saúde) [Directorate-General of Health]; – ANPC (Autoridade Nacional de Protecção Civil) [National Civil Protection Authority]. All companies must provide an annual report to the Ministério da Solidariedade e Segurança Social [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;The ACT has recently 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. The report “Relatório de Actividades ACT” [‘ACT Activities Report’] confirms that there has been a decrease in accidents at work in the primary sector. Nevertheless, the occurrence of work accidents in the primary sector are still considerably high when compared to other sectors. For this reason, specified risk is assessed for this indicator.
Risk Rating	Specified Risk

Spain Galicia and Castilla y León	**Indicator**
4.1.10	Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law on Prevention of Occupational Risks and Regulation of Prevention Services. As for any labour activity, Law 31/1995 of November 8, modified by Law 54/2003, is applicable, which legally regulates the basic framework for the protection of the safety and health of workers against the risks arising from work. On the other hand, it is also necessary to indicate the application to forestry work of the Regulation of Prevention Services (Royal Decree 39/1997, of January 17), and the modifications introduced to it by Royal Decree 780/1998, of 30 April, and by Royal Decree 604/2006, of May 19. - Regulations for the development of the Law on the Prevention of Occupational Risks. The regulations that emanate from the aforementioned Law 31/1995 and from Law 54/2003 that modify it, developed by various regulatory standards, in accordance with article 6 of said law, are applicable to forestry operations, although one must highlight a very important exclusion such as Royal Decree 486/1997, of 14 April, which establishes the minimum health and safety provisions in workplaces, since the fields of cultivation, forests and other lands that are part of a company or centre of agricultural or forestry work, but that are located outside the built zone of the same. - Royal Decree 1215/1997, of 18 July, on minimum safety and health provisions for the use by workers of work equipment, in terms of the use by

	workers of equipment such as tractors, processors, etc. - Royal Decree 773/1997, of May 30, on minimum health and safety regulations regarding the use by workers of personal protective equipment. Tec Pellets has a control system and adequate procedures on the health and safety of forest workers and demands the same from its feedstock suppliers. Tec Pellets checks the health safety of harvesting personnel during its monitoring (administrative and field) inspections. Supplier qualification process and inspections of the supplier's administration include checking of: - Insurances and aptitude forms - Social Security responsibilities - Present workforce and training (new) personnel - Health and safety procedures - Training records and hiring of specialists - Records of Personal Protection Equipment (PPE) distribution - Records of machinery safety tools and equipment on documental register - Medical record for employment. Field inspections to suppliers include checking of: - Protective equipment use by workers - Medical kit(s) - Fire extinguishers - Respect of safety distances - Level of knowledge of personnel.
Risk Rating justification	In Spain, Occupational Health and Safety is extensively regulated by various legislation. This legislation covers all activities related to the forestry sector, such as individual protection equipment, use of machinery. Risk assessment is a basic process for active management of occupational health and safety. The evaluation procedure is necessary to plan preventive action and to choose work teams, techniques and work organization systems. All companies, including Tec Pellets suppliers, have the obligation to have a contract with a mutual insurance company which is entrusted to: - Annual medical review of all workers. - Annual training for all workers on occupational health and safety, specific training for each workplace. - In case of accident, evaluation of the same and corrective measures to avoid a repetition Issue a certificate to be aware of compliance with all legislation related to occupational health and safety. The organization of the necessary resources for the development of preventive activities are taken by employers according to one of the following: - Personally, assuming preventive activity. - Appointing one or more workers to carry it out. - Establishing its own prevention service. - Constituting a joint prevention service. - Appealing to a service of foreign prevention. A large part of the companies, unless they are required by their size or by law to have their own prevention system, hire a third-party prevention service that is in charge of carrying out the study of the company's occupational risks, implementing the necessary measures to minimize them and address the adequate training of the company's workers. The concept of occupational

	accidents refers to the production of work accidents and occupational diseases linked to the exercise of a professional activity. By sectors, in 2021 the construction sector presents the highest incidence rate with 6,316.0 accidents with sick leave per hundred thousand workers. They are followed by the industrial sector, with 4,426.0 and the agricultural sector (which includes forestry) with 4,318.7 accidents per hundred thousand workers. Regarding the incidence of fatal accidents for 2020 and 2021, agriculture, livestock, forestry and fishing remain above the total average with an index of 7.28 fatal accidents during workdays per hundred thousand workers compared to 3.28 for the total average. In any case, these data are far from the 27.76 and 12.71 fatal accidents in the shift per hundred thousand workers in the extractive industries and transport and storage. A more detailed analysis of the main sources of accidents in forestry work reveals that the forestry exploitation phase and, more specifically, the felling, felling and cutting with chainsaws are the forestry activities with the highest accident rate. Regardless of its legal requirements, work safety in Spain requires strict monitoring. Outsourcing and self-employed services are quite common in forest sector. In the other hand, for work on public forests, the public administration appoints a Health and Safety Coordinator who ensures that all documentation is in order and that field work is carried out in compliance with legal requirements. Given that, the risk relating to this indicator is classified as: - Low in respect of work done in public forests, and - Specified risk for private forest areas.
Risk Rating	Specified Risk

Portugal Mainland	**Indicator**
4.2.1	Negative social and community impacts shall be identified and avoided.
Supply Base Verifiers	List of social security worker. Financial documents.
Risk Rating justification	**Tec Pellets adopts feedstock sourcing practices aimed at promoting the socio-economic development of local communities. These practices include:** • **Job and Income Generation**: The company prioritizes hiring local labor for biomass harvesting and transportation activities, contributing to job creation. • **Investment in Community Infrastructure**: A portion of the resources obtained from biomass sourcing is allocated to community infrastructure investment programs, such as improvements in roads,

	schools, and healthcare facilities, directly benefiting the population. • **Open Dialogue and Community Engagement**: The company maintains an ongoing dialogue with local communities to understand their needs and concerns. • **Promotion of Sustainable Management Practices**: Biomass sourcing is conducted in compliance with sustainable management practices, which preserve the environment and ensure the availability of natural resources for future generations, also benefiting local communities.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**Indicator**
4.2.1	Negative social and community impacts shall be identified and avoided.
Supply Base Verifiers	Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations. Tec Pellets procedures include the following: - Customary rights, when applicable, are identified and documented. - Interviews with local communities or other relevant parties. - Appropriate procedures in place to resolve any conflicts.
Risk Rating justification	In Spain there are many customary rights linked to the mountains of the Iberian Peninsula that come from antiquity. There are no relevant conflicts related to these rights and where they do exist, there are established channels for their management and resolution. Many of these uses have become extinct due to disuse or simply exist, but are not exercised, and others have been integrated into forest management (public roads, firewood, community management...). An example of these uses is the Communal Mountains, both Roman and Germanic, which have been recovering since the establishment of democracy in 1977. Where the communities have been able to demonstrate a use by the common neighbours, they have been declared Neighbourhood Mountains. There are neighbourhood Forest Boards and legislation that regulate their activity. There are multiple forestry associations or other associations, at the local or regional level, that carry out important work in the recovery or maintenance of customary uses of the mountains. There are no indigenous peoples or minorities in Spain that require special protection with respect to their rights over the use of forests, nor are there any local communities that depend on forest services for their subsistence. On private, agrarian land, there are no customary rights beyond public roads.
Risk Rating	Low Risk

Portugal **Mainland**	**Indicator**

4.2.2	Feedstock sourcing shall positively contribute to the local economy, including employment.
Supply Base Verifiers	List of social security worker. Financial documents.
Risk Rating justification	Tec Pellets adopts feedstock sourcing practices aimed at promoting the socio-economic development of local communities. These practices include: • Job and Income Generation: The company prioritizes hiring local labor for biomass harvesting and transportation activities, contributing to job creation. • Investment in Community Infrastructure: A portion of the resources obtained from biomass sourcing is allocated to community infrastructure investment programs, such as improvements in roads, schools, and healthcare facilities, directly benefiting the population. • Open Dialogue and Community Engagement: The company maintains an ongoing dialogue with local communities to understand their needs and concerns. • Promotion of Sustainable Management Practices: Biomass sourcing is conducted in compliance with sustainable management practices, which preserve the environment and ensure the availability of natural resources for future generations, also benefiting local communities.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**Indicator**
4.2.2	Feedstock sourcing shall positively contribute to the local economy, including employment.
Supply Base Verifiers	Means of verification include analysis to the contribution to the local economy, description of direct economic value created, records of personnel and jobs created. Sources of information include: - ASEMFO, Study of Investment and employment in the forestry sector: https://asemfo.org/xii-estudio-inversion-empleo-sector-forestal/ Government of Spain: - Ministry of Agriculture, Fisheries and Food: https://www.mapa.gob.es/es/ - Ministry for the Ecological Transition and the Demographic Challenge: https://www.miteco.gob.es/es/ - Forest Statistics: https://www.miteco.gob.es/es/biodiversidad/estadisticas/ - Forest Statistics Yearbooks: https://www.miteco.gob.es/es/biodiversidad/estadisticas/forestal_anuarios_todos.aspx - Forest economy and foreign trade: https://www.miteco.gob.es/es/biodiversidad/estadisticas/forestal_econ_comercio_exterior.aspx - Report on the situation of forests and the forestry sector (ISFE) in Spain 2017:

	http://secforestales.org/sites/default/files/archivos/isfe2017_final-v2.pdf - ISFE 2021 Advance Report: http://secforestales.org/sites/default/files/archivos/avance_isfe2021.pdf Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	The biomass sector in Spain is complementary with other wood industries, as it uses and processes low-quality wood and forest residues and secondary feedstock. The biomass producers create a market for these kinds of remaining forest and wood industry residues. This market makes forest thinning feasible. The biomass production sector in Spain is pushing sustainability of the whole sector forward through strict and critical certification programs such as SBP. All these activities decrease the chance of forest fires, which are perceived as the greatest threat to local communities. The forest sector impacts positively in rural areas, proving alternatives in the long term for local communities to keep its population. Regarding economic impacts and employment in the local economy, it is necessary to differentiate the CCAAs of Asturias, Galicia and northern Castilla y León, with mostly productive masses, where the logging sector is an important source of income in (half the volume of felling in all of Spain is extracted in Galicia), from the Autonomous Community of Andalusia, where wood-producing forests are scarce or non-existent and income comes from more other types of jobs and services. According to the XII Study of Investment and Employment in the Forestry Sector, years 2019 and 2020 (by ASEMFO in collaboration with the Government of Spain), investment of all Public Administrations in the Forestry Sector since the year 2000 resulted in an important mobilization of economic resources and job creation. The value invested in the forestry sector represents 3,19% of total investment in Spain, distributed mainly by: - Forest fires extinction: 50,85% - Forest hydrological protection: restoration of rivers and riverbanks: 22,55% - Forest fires prevention: 13,61% - Forest data: inventories and maps: 3,50% - Silvicultural treatments: 1,83% - Genetic resources: 1,73% - Forest hydrological protection: control of erosive processes: 1,68%. Number of forestry companies in 2020: Galicia: 3063; Castilla y León: 904. According to the XII Study of Investment and Employment in the Forestry Sector, years 2019 and 2020 (by ASEMFO in collaboration with the Government of Spain), data of contracts made in the primary forestry sector in 2020: Galicia: 6564; Castilla y León: 5016. The active population employed in the forestry sector (mountain) represents, in 2022, 1,6% in relation to the total active population employed. In the most relevant years of the economic crisis, the forestry sector has kept the relative percentages of the employed active population constant, demonstrating adaptive capacity to face difficult situations and it is to be expected that in the future these percentages may increase, supported by green employment that is generated through the sustainable use of energy, as in the case of

	biomass, a greater appreciation of the multifunctionality of the forest together with a better perception of the citizen about the benefits, both direct and indirect (social, economic and environmental).
Risk Rating	Low Risk

Portugal Mainland	**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
Supply Base Verifiers	Tec Pellets' 'Procedimento para aquisição de matéria prima' Existing legal systems Level of enforcement Forest Best Management Practices Renting and harvesting contracts Manual of Tec Pellets
Risk Rating justification	**Tec Pellets is committed to the sustainable development of local communities and the preservation of essential resources such as food, water supply, and high conservation values (HCV). The practices adopted include:** 1. **Water Resource Preservation**: The company takes measures to protect and ensure continuous access to drinking water for local communities. Tec Pellets conducts actions for the preservation and restoration of water sources near its operational areas, promoting sustainable water resource management and preventing contamination of water bodies. 2. **Protection of HCV Areas**: Tec Pellets ensures that high conservation value (HCV) areas within its operational areas are preserved, in compliance with local and international standards. These areas are monitored and managed to ensure that their ecological values, such as biodiversity and ecosystem services, are not compromised."
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**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
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339

	- Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Law 3/2009 of Forests of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	Regarding this Indicator, only the protection of the headwaters of the hydrographic basins in the most arid southern and eastern areas of Spain is considered applicable. These areas normally have protective forest repopulations carried out by the state administration and are protected by both state and regional legislation. In addition, they are normally public forests managed by the administration itself (in fact, this type of forest is one of those that can be included in the catalogue of public utility forests). Nevertheless, actions in such areas require prior authorization by the competent administration and supervision by law enforcement officials. It is widely accepted among the experts consulted in the development of FSC NRA report (including a public workshop conducted by FSC Spain) that forest management activities do not threaten water availability under the conditions described, and that water policy and forest restoration and hydrological protection measures are sufficient safeguards.
Risk Rating	Low Risk

Portugal Mainland	**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.
Supply Base Verifiers	Identity card of workers. Valid written contract. Obligatory insurance document. Updated document of social security payment IRS /IRC taxes - Relatório Único.
Risk Rating justification	There are not indigenous or traditional people in Portugal that could claim traditional rights to lands, forests and other resources, based on long established custom or traditional occupation and use. This are potential issues that loggers and forest owners need to address when asking for a harvesting permission. This point is covered before the manifest document is issued. Tec Pellets is checking this document and ensuring they are buying from certified and licensed suppliers. Instead, there are rights to pass in public roads and ways, across the coast or rivers. In Portugal getting in forest lands is not considered invasion even on private properties, and it is common the use of wild products by communities (mushrooms, asparagus, snails, besides fishing on public waters). Tec Pellets is FSC certified and listens to the people living in the surroundings of the forest areas. Tec Pellets is always prepared to solve any problem in a pleasant way and respects people who

	make use of their (traditional) rights.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**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.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20); - Civil Code: https://www.boe.es/buscar/pdf/1889/BOE-A-1889-4763-consolidado.pdf - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Law 3/2009 of Forests of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations. Tec Pellets procedures include the following: - Customary rights, when applicable, are identified and documented. - Interviews with local communities or other relevant parties. - Appropriate procedures in place to resolve potential conflicts.
Risk Rating justification	There are no indigenous peoples in Spain who can claim traditional use of lands, forests or other resources on the basis of customary rights or traditional uses. In Spain there are many ancient customary rights linked to the forests of the Iberian Peninsula. There are no relevant conflicts related to these rights and where they exist there are established channels for their management and resolution. Many of these uses have died out due to disuse but are not exercised and others have been integrated into the management of the forests (public roads, firewood, communal management…). An example of these uses is the Communal Forests (Montes en Mano Común), both Roman and Germanic, which have been gradually recovered since the establishment of democracy in 1977. Where communities have been able to demonstrate common use by local residents, they have been declared Communal Forests. There are Communal Forest Boards and legislation to regulate their activity. There are many forestry associations or similar groups, at local or regional level, that carry out important work in the recovery or maintenance of customary uses of forests. If there are traditional land rights of local populations, they are identified. There are clear procedures and channels to resolve potential conflicts with the traditional land rights of local populations. Sources of information include: - The FSC-NRA-ES V1-1 National Risk Assessment for Spain: https://fsc.org/en/documentcentre/documents/resource/168 - WGI: http://info.worldbank.org/governance/WGI/#reports - Transparency International, corruption perception index:

	https://www.transparency.org/ - Amnesty International Spain: https://www.es.amnesty.org/enqueestamos/espana/ - Illegal Logging portal: https://www.illegallogging.info/regions/spain - Global Witness: https://www.globalwitness.org/en/
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
4.2.5	Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices.
Supply Base Verifiers	Tec Pellets' 'Procedimento para aquisição de matéria prima' Existing legal systems Level of enforcement Forest Best Management Practices Renting and harvesting contracts Labour Code: Law n.º 7/09 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 justification	Although this risk is addressed in the general legal framework of Portugal, Tec Pellets is of the opinion that this indicator needs additional attention as a 'safety net', in order to perform well on other indicators, which are categorised 'specified risk'. Because of the very large number of landowners with extremely small forested properties in Portugal, and, for example, the lack of cadastral in some regions of the country, Tec Pellets actively prevents grievances and disputes to arise. The aim is to track down and solve grievances and disputes before the harvesting operations commence. The procedures assess the work of Tec's harvesting teams and feedstock suppliers. The feedstock suppliers are also required to actively implement a complaint procedure and keep records (which are checked). Tec Pellets takes seriously any complaint of any person or organisation considering harvesting operations. This also improves performance on respecting local interests (HCV5) and cultural values (HCV 6). Grievances and disputes, including those relating to tenure and use rights, forest management practices and work conditions in Portugal are regulated by laws. Legal framework includes the Portuguese Constitution, the Labour Code and other specific regulations. The detailed procedures, duties and responsibilities of involved persons are defined in both legislation and other legal regulations. Legislation and justice system provides a route for appeal should people or companies be dissatisfied with the outcome of the dispute resolution process. Land tenure and use rights are object of Civil Code, being land tenure included on private property rights on Constitution article 62nd.

	These rights include communitarian forests and also Forest Renting/leasing contracts. Disputes about forest management practices would involve forest authorities ICNF on both public and private forests. Specific forest management practices should be included on renting and forest services contracts as harvesting contracts. The disputes related to work conditions shall be resolved according to administrative procedures and labour legislation. Trade unions may help in disputes over work conditions. Tec Pellets have an internal procedure for resolving grievances and disputes 'aquisiçao de matéria prima': Firstly, our specialist need to collect this information: • Identification of the plot / area (building permit) • Identification of the owner (citizen card) • Proof of the relationship between the seller and the land in question • Mapping • Formalization of the business through a purchase and sale agreement between the parties • Invoice or self-invoice if the seller cannot do it. In addition to the information collected, at least one site visit is always conducted with the owner or his representative, where information is taken about • Type of vegetation / species • Ground boundaries / Confrontations • Accesses. This procedure also indicates the resolution of grievances and disputes, including those relating to tenure and land use rights to forest (or land) management practices and working conditions. Whenever any of the above occurs, the technical responsible is contacted and called to the location whenever necessary. In the case of Work Accidents, Theft and Forest Fires and after ascertaining the severity of the situation are contacted the competent entities, as well as the Department of Hygiene, Security of the company. In case of Failures or maintenance, the means are put on the ground in order to solve the situation. These means can be from the company itself or from the company representative of the equipment. In case of Complaint related to court, the person in charge of the company meets at the place of court with all parties involved (seller / claimant or other). When the facts are proven and all parties are heard, the responsible person decides to adjust the business according to what happened. The closing of the complaint can be done in two ways: • If the claimant understands the purchase, the remaining portion. That is, a new buying process is opened where one makes the acquisition of what was cut by lapse together with what is standing. • The claimant does not accept to sell the remaining portion. The wood cut is evaluated and paid to the owner considering the occurrence as a payment of damages to the owner.
Risk Rating	Specified Risk

Spain Galicia and Castilla y León	Indicator
4.2.5	Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Civil Code: https://www.boe.es/buscar/pdf/1889/BOE-A-1889-4763-consolidado.pdf - Spanish constitution: https://www.boe.es/buscar/pdf/1978/BOE-A-1978-31229-consolidado.pdf - Workers' Statute: https://www.boe.es/buscar/pdf/2015/BOE-A-2015-11430-consolidado.pdf - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php?id=BOE-A-2003-21339 - Spanish Labour and Social Security Legislation: https://www.boe.es/biblioteca_juridica/codigos/codigo.php?id=93&modo=2¬a=0&tab=2 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Law 3/2009 of Forests of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	In Spain there are clear and well-known legal channels for resolving conflicts that are also regulated by the corresponding laws. The legal framework of reference regarding the rights of use and ownership of the land, forest management activities and the conditions of the workers include, among others, the following: - Civil Code. - Spanish constitution. - Forestry Law of the State and of the CCAA. - Status of workers. The existing legal framework and the different laws clearly define the responsibilities and duties of the people involved in these issues, as well as provide a clear framework for appeals or complaints in case of disputes on these issues. Tec Pellets is FSC and PEFC certified and has implemented a complaint procedure, as well as its feedstock suppliers.
Risk Rating	Low Risk

Portugal Mainland	Indicator
4.2.6	Where Indigenous Peoples' rights are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned

	activities, a consultation and, if required, accommodation process shall be put in place.
Supply Base Verifiers	Estratégia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04); ICNF portal (http://www.icnf.pt/portal/icnf/docref/enf) Lei nº 68-93 Baldios (http://www.proder.pt/ResourcesUser/Legisla%C3%A7%C3%A3o/Nacional/Lein%C2%BA68-93.pdf) Coelho, I.S. (2003) Propriedade da Terra e Política Florestal em Portugal (http://www.scielo.mec.pt/pdf/slu/v11n2/v11n2a05.pdf) Dec-Law n.º 254/2009 of 24/09 (http://www.proder.pt/ResourcesUser/Legisla%C3%A7%C3%A3o/Nacional/DecretoLein%C2%BA254-2009.pdf) Law n.º 12/2012 of 13/03 (https://dre.pt/application/dir/pdf1sdip/2012/03/05200/0110301103.pdf) Port. n.o 247/2001 of 22/03 https://dre.pt/application/dir/pdf1sdip/2001/03/069B00/16111612.pdf)
Risk Rating justification	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 as an invasion even on private properties, and there is common use of wild products by communities (mushrooms, asparagus, snails, besides fishing on public waters). However, some conditions may occur about game concessions or cattle farms. Labour rights are respected including rights as specified in ILO. Fundamental Principles and Rights at work: Portugal has ratified all 8 Fundamental ILO Conventions.
Risk Rating	Low Risk

Spain Galicia and Castilla y León	**Indicator**
4.2.6	Where Indigenous Peoples' rights are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned activities, a consultation and, if required, accommodation process shall be put in place.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20). - Civil Code: https://www.boe.es/buscar/pdf/1889/BOE-A-1889-4763-consolidado.pdf - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Law 3/2009 of Forests of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations. Tec Pellets procedures include the following: - Customary rights, when applicable, are identified and documented.

	- Interviews with local communities or other relevant parties. - Appropriate procedures in place to resolve any conflicts.
Risk Rating justification	In Spain there are many customary rights linked to the mountains of the Iberian Peninsula that come from antiquity. There are no relevant conflicts related to these rights and where they do exist, there are established channels for their management and resolution. Many of these uses have become extinct due to disuse or simply exist, but are not exercised, and others have been integrated into forest management (public roads, firewood, community management...). An example of these uses is the Communal Mountains, both Roman and Germanic, which have been recovering since the establishment of democracy in 1977. Where the communities have been able to demonstrate a use by the common neighbours, they have been declared Neighbourhood Mountains. There are neighbourhood Forest Boards and legislation that regulate their activity. There are multiple forestry associations or other associations, at the local or regional level, that carry out important work in the recovery or maintenance of customary uses of the mountains. There are no indigenous peoples or minorities in Spain that require special protection with respect to their rights over the use of forests, nor are there any local communities that depend on forest services for their subsistence. On private, agrarian land, there are no customary rights beyond public roads.
Risk Rating	Low Risk

Portugal Mainland	**Indicator**
4.2.7	Designated cultural heritage sites shall be preserved.
Supply Base Verifiers	Tec Pellets's Enviromental Impact Assessment Supply contracts DDS Tec Pellets
Risk Rating justification	Tec Pellets is committed to preserving cultural and historical heritage in all areas of its operations, in accordance with the cultural heritage preservation laws and regulations in force in Portugal. The measures implemented include: 1. **Identification of Cultural Heritage Sites**: The company regularly conducts assessments in its operational areas to identify and map cultural heritage sites, in line with Portuguese laws and local guidelines. Identification includes consultation with heritage preservation bodies, such as the Institute for Nature Conservation and Forests (ICNF) and the Directorate-General for Cultural Heritage. 2. **Protection and Conservation of Designated Sites**: All identified cultural heritage sites within operational areas are preserved and protected. Tec Pellets takes steps to avoid any negative impact on these locations, including establishing protection zones and implementing sustainable management practices near these sites. 3. **Consultation and Collaboration with Local Authorities**: The

	company maintains ongoing communication with local authorities, such as ICNF and other responsible heritage protection bodies, to ensure that operational activities comply with cultural and historical preservation regulations. 4. **Impact Monitoring and Management**: Tec Pellets conducts continuous monitoring in operational areas to assess the impacts of activities on cultural sites. If risks or negative impacts are identified, corrective actions are promptly implemented to ensure the preservation of cultural values. 5. **Training and Awareness for Workers**: All workers receive training on the importance of cultural heritage preservation, including the identification of historically significant sites and the necessary practices to ensure their protection during operational activities. 6. **Documentation and Reporting**: The company maintains detailed records of identified cultural heritage sites and the actions taken to preserve them and periodically reports to ensure compliance with legal requirements and SBP standards.
Risk Rating	Low Risk

Spain **Galicia and Castilla y León**	**Indicator**
4.2.7	Designated cultural heritage sites shall be preserved.
Supply Base Verifiers	APPLICABLE LEGISLATION: - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - Law 16/1985, of June 25, on Spanish Historical Heritage: https://www.boe.es/buscar/pdf/1985/BOE-A-1985-12534-consolidado.pdf Tec Pellets has in place procedures which include desk assessments to the harvesting areas. Tec Pellets verifies the available GIS information viewers whether the harvesting sites overlaps with any high conservation value (cross reference the plot with the information layers on Sites of Cultural Interest). If positive: - Such is recorded. - Investigation as to whether or not it occurs in the working site; if yes, it is verified that it has not been damaged before accepting the material. Best practices are considered and monitored by Tec Pellets and its suppliers, and include desk assessments to the harvesting sites, training and visits to operations.
Risk Rating justification	High conservation values are linked to cultural goods and prehistoric finds. The Iberian Peninsula is an area with lots of archaeological and prehistoric remains. There is both state law and CCAA (Autonomous Communities) that protect and list the assets of historical and cultural interest. In the CCAAs that require prior authorization, this already includes any condition to an asset of interest and the measures or restrictions on work that are necessary. In the case of prior communications, if the area is affected by a property of these

	characteristics, it is necessary to have the pertinent heritage authorization. The action process is also legislated in the event that remains appear during the work. In these cases, the work must be stopped and the findings communicated to the competent administration. There is a good level of governance and a comprehensive legal framework developed for Spanish protected areas, and a good level of control by the CCAAs, which are the competent authorities. The CCAAs have abundant information both on web pages and on e-viewers. In Galicia, for example, the authorization/notification process of a work is carried out on a viewer, https://mapas.xunta.gal/visores/aproveitamentos/, in which all the conditions of the plot(s) are already included, so it is not possible to avoid the corresponding notification to Patrimony. Sources of data/e-viewers include: - FSC National Risk Assessment for Spain, FSC-NRA-ES V1-1 ES_2018-09-11: https://members.fsc.org/en/document-centre/documents/resource/168 MITECO: - Protected Spaces Spain: https://www.miteco.gob.es/es/biodiversidad/temas/espaciosprotegidos/espacios-naturales-protegidos/ - Nature Data Bank, Protected Areas Spain: https://www.miteco.gob.es/es/biodiversidad/servicios/banco-datosnaturaleza/informaciondisponible/ - GIS layers National Storages: https://www.miteco.gob.es/es/red-parquesnacionales/sig/ Galicia - Protected Spaces: https://cmaot.xunta.gal/seccion tema/c/CMAOT_Conservacioncontent=Direccion_Xeral_Conservacion_Natureza/Espazos_protexidos/seccion.html&std=presentacion.html - Galicia, forest exploitation viewer: https://mapas.xunta.gal/visores/aproveitamentos/ - Cartography of Galicia: https://www.sergas.es/Saude-publica/GISCartografia-Galicia-formatovectorial-SHP?idioma=es Castilla y León - NETWORK OF PROTECTED NATURAL AREAS (RANP) CyL: https://medioambiente.jcyl.es/web/es/medio-natural/espacios-naturales.html - REN CyL map: https://datosabiertos.jcyl.es/web/jcyl/set/es/medioambiente/la-red-espaciosnaturales-cyl/1284687312196 - IDECYL REN CyL: https://idecyl.jcyl.es/geonetwork/srv/spa/catalog.search#/metadata/SPAGOBCYLMNADTSPSREN - CyL Natural Heritage: https://patrimonionatural.org
Risk Rating	Low Risk

Annex 2: EU RED Supply Base Evaluation

Countries where EU RED Supply Base Evaluation is used	
Country	Portugal
Area	Mainland
Sustainable harvesting criteria 29(6)	
(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 enterprises 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 & 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. In Portugal, around 97% of forest land 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 (D.L. nº 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 (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). VAT (IVA) taxes: 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 requisition that is easy to verify and legally undertake by both entities (seller and buyer).

	The exceptional regimes of reduced taxes or exemption are in place to include the cases of forest owners with special profiles (farmers or foresters). Income taxes (IRS & IRC): Income taxes are applied according to individual or collective fiscal laws. It was not found any specific evidence of irregularities about income taxes related to harvest companies. Fiscal Authorities are Autoridade Tributária, which makes common inspections on roads together with GNR- Guarda Nacional Republicana. Portugal and the 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 as an invasion even on private properties, and there is common use of wild products by communities (mushrooms, asparagus, snails, besides fishing on public waters). However, some conditions may occur about game concessions or cattle farms. 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

	- Document of Tec Pellets 'Procedure on the legality and origin of raw material'. - 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) - 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. nº95/2011, 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. nº 254/2009, 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/fp=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. 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 landowner, or the harvest operation. - A site visit is always conducted by the logger before the felling. An interview with the landowner 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:** Apart from the sustainability criteria recently transposed from REDII, in Portugal there 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 certificated 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 another 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, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, 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 Algarve, with evolved matorral. Since both species are exploited for timber (the stone pine is also exploited 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 Tec Pellets 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 in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	
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 majority of the 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 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.' (...) 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:** - Tec Pellets Evaluation of the risks and possible impacts, including environmental, of harvesting operations. - Manifests. - 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 Tec Pellets field inspections - Monitoring records - Regional Forest Plan - Best Management Practices; - Level of enforcement; - Regional, publicly available data from a credible third party. **Evidence reviewed:** Government sources: - 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. nº123/2015, 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. - Tec Pellets 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 by Tec Pellets about Best Practice Harvest Operations Guide and Health and Safety at work. The owner of harvesting company demands from its workers to have specified training to work on forest. - Best practises are used. - Tec Pellets monitors the harvesting operations of its feedstock suppliers. - 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.
(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(a) **primary forest** and other wooded land and **old growth forest,** namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of **old growth forest** at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*	
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	Namely, this indicator addresses to biomass fuel that shall not be made from raw material obtained from primary forest (no clearly visible human activity) and old-growth forest (signs of former human activities may be visible) (no-go areas). **Finding:** There is no considered primary forest in Portugal. Old growth forests are included in protected areas where specific legislation and rules apply. _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 Natura 2000 classified involving the mentioned 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 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 pinecone) 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. **Means of verification:** - Tec Pellets desk assessment and evaluation of the risks and possible impacts, including environmental, of harvesting operations. - Manifests (MCA and NMP). - Erosion, desertification programs and maps. - Approved EIA (Environmental Impact Assessment), when applicable. - Approved Forest Management Plan, when applicable. - Records of oil and hazardous chemical deliveries. - Records of Tec Pellets field inspections. - Monitoring records. - Regional Forest Plan. - Best Management Practices. - Level of enforcement. - Regional, publicly available data from a credible third party. **Evidence reviewed:** Government sources: - 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/ - Good Forest Practices: https://icnf.pt/florestas - EPIC WebGis Portugal - Ecological Planning, Investigation and Cartography: https://epic-webgisportugal.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: 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: - EIA – Environmental Impact Assessment: D.L. nº 151-B/2013 de 31/10 - 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. - Rede Natura 2000: https://www.icnf.pt/conservacao/redenatura2000 - Important Bird Areas of Portugal: https://ibas-terrestres.spea.pt/pt/ - National Ecological Reserve/Reserva Ecológica Nacional: D.L. nº 239/12, 02/11 - 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. - 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, peatland, heathlands, grassland areas, nor primary forests or old growth forest, including areas that had any of that status in or after January 2008. 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, without Forest Management Plan, areas with identified classified habitats, wetlands, peatland, heathlands, grassland areas, primary forests, old growth forest, including areas that had any of that status in or after January 2008. 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. - Supplier's declaration/agreement. - Confirmation of legal situation of qualified suppliers. - Confirmation of legal situation of the operation and sourcing area. - Procedures of field Inspections to verify the aspects related with supplier, operations and sourcing area legal situation. Analysis of sourcing area information regarding environmental aspects, 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, as well as in the best Forestry practices. - 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. - Disqualify material coming from whose legal situation of harvesting cannot be confirmed, no-go areas, and areas where negative impacts on biodiversity have occurred.
(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(b) **highly biodiverse forest** and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did 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, 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:** - Tec Pellets desk assessment and evaluation of the risks and possible impacts, including environmental, of harvesting operations. - Manifests (MCA and NMP). - Erosion, desertification programs and maps. - Approved EIA (Environmental Impact Assessment), when applicable. - Approved Forest Management Plan, when applicable. - Records of oil and hazardous chemical deliveries. - Records of Tec Pellets field inspections. - Monitoring records. - Regional Forest Plan. - Best Management Practices. - Level of enforcement. - Regional, publicly available data from a credible third party. **Evidence reviewed:** Government sources: - 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/ - Good Forest Practices: https://icnf.pt/florestas - EPIC WebGis Portugal - Ecological Planning, Investigation and Cartography: https://epic-webgisportugal.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: 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: - EIA – Environmental Impact Assessment: D.L. nº 151-B/2013 de 31/10 - 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. - Rede Natura 2000: https://www.icnf.pt/conservacao/redenatura2000 - Important Bird Areas of Portugal: https://ibas-terrestres.spea.pt/pt/ - National Ecological Reserve/Reserva Ecológica Nacional: D.L. nº 239/12, 02/11 - 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. - 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, peatland, heathlands, grassland areas, nor primary forests or old growth forest, including areas that had any of that status in or after January 2008. Specified risk: private and communitarian forest areas classified by the National System of Classified Areas (SNAC) and in 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, without Forest Management Plan, areas with identified classified habitats, wetlands, peatland, heathlands, grassland areas, primary forests, old growth forest, including areas that had any of that status in or after January 2008. 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. - Supplier's declaration/agreement. - Confirmation of legal situation of qualified suppliers. - Confirmation of legal situation of the operation and sourcing area. - Procedures of field Inspections to verify the aspects related with supplier, operations and sourcing area legal situation. Analysis of sourcing area information regarding environmental aspects, 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, as well as in the best Forestry practices. - 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. - Disqualify material coming from whose legal situation of harvesting cannot be confirmed, no-go areas, and areas where negative impacts on biodiversity have occurred.
(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.	

Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: *(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*	
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:** Grasslands, typically formed by permanent pasture and spontaneous herbaceous vegetation, have a key level of importance, covering approximately 22% of mainland Portugal, showing an increasing trend in the last decades. **Means of verification:** - Tec Pellets desk assessment and evaluation of the risks and possible impacts, including environmental, of harvesting operations. - Manifests (MCA and NMP). - Erosion, desertification programs and maps. - Approved EIA (Environmental Impact Assessment), when applicable. - Approved Forest Management Plan, when applicable. - Records of oil and hazardous chemical deliveries. - Records of Tec Pellets field inspections. - Monitoring records. - Regional Forest Plan. - Best Management Practices. - Level of enforcement. - Regional, publicly available data from a credible third party. **Evidence reviewed:** - Government sources: - 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/ - Good Forest Practices: https://icnf.pt/florestas - EPIC WebGis Portugal - Ecological Planning, Investigation and Cartography: https://epic-webgisportugal.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: 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: - EIA – Environmental Impact Assessment: D.L. nº 151-B/2013 de 31/10 - 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. - Rede Natura 2000: https://www.icnf.pt/conservacao/redenatura2000 - Important Bird Areas of Portugal: https://ibas-terrestres.spea.pt/pt/ - National Ecological Reserve/Reserva Ecológica Nacional: D.L. nº 239/12, 02/11 - 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. 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, peatland, heathlands, grassland areas, nor primary forests or old growth forest, including areas that had any of that status in or after January 2008. Specified risk: private and communitarian forest areas classified by the National System of Classified Areas (SNAC) and in 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, without Forest Management Plan, areas with identified classified habitats, wetlands, peatland, heathlands, grassland areas, primary forests, old growth forest, including areas that had any of that status in or after January 2008. 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. - Supplier's declaration/agreement. - Confirmation of legal situation of qualified suppliers. - Confirmation of legal situation of the operation and sourcing area. - Procedures of field Inspections to verify the aspects related with supplier, operations and sourcing area legal situation. Analysis of sourcing area information regarding environmental aspects, 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, as well as in the best Forestry practices. - 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. - Disqualify material coming from whose legal situation of harvesting cannot be confirmed, no-go areas, and areas where negative impacts on biodiversity have occurred.

(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(e)* ***heathland*** *- Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).*	
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:** Conservation and management of heathlands and shrubs are implemented through EU action plans already in place for several heathland habitats, including European dry heaths. LIFE+ Project "Conservation of Heathlands on the South-West Coast of Portugal", whose acronym is LIFE Charcos, coordinated by the League for the Protection of Nature (LPN), aims to conserve a priority habitat, the Mediterranean Heathlands (priority habitat 3170 of the Habitats Directive). **Means of verification:** - Tec Pellets desk assessment and evaluation of the risks and possible impacts, including environmental, of harvesting operations. - Manifests (MCA and NMP). - Erosion, desertification programs and maps. - Approved EIA (Environmental Impact Assessment), when applicable. - Approved Forest Management Plan, when applicable. - Records of oil and hazardous chemical deliveries. - Records of Tec Pellets field inspections. - Monitoring records. - Regional Forest Plan. - Best Management Practices. - Level of enforcement. - Regional, publicly available data from a credible third party. **Evidence reviewed:** Government sources: - 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/ - Good Forest Practices: https://icnf.pt/florestas - EPIC WebGis Portugal - Ecological Planning, Investigation and Cartography: https://epic-webgisportugal.isa.ulisboa.pthttps://epic-webgisportugal.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: 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: - EIA – Environmental Impact Assessment: D.L. nº 151-B/2013 de 31/10 - 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. - Rede Natura 2000: https://www.icnf.pt/conservacao/redenatura2000 - Important Bird Areas of Portugal: https://ibas-terrestres.spea.pt/pt/ - National Ecological Reserve/Reserva Ecológica Nacional: D.L. nº 239/12, 02/11 - 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. - 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, peatland, heathlands, grassland areas, nor primary forests or old growth forest, including areas that had any of that status in or after January 2008. Specified risk: private and communitarian forest areas classified by the National System of Classified Areas (SNAC) and in 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, without Forest Management Plan, areas with identified classified habitats, wetlands, peatland, heathlands, grassland areas, primary forests, old growth forest, including areas that had any of that status in or after January 2008. 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. - Supplier's declaration/agreement. - Confirmation of legal situation of qualified suppliers. - Confirmation of legal situation of the operation and sourcing area. - Procedures of field Inspections to verify the aspects related with supplier, operations and sourcing area legal situation. Analysis of sourcing area information regarding environmental aspects, 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, as well as in the best Forestry practices. - 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. - Disqualify material coming from whose legal situation of harvesting cannot be confirmed, no-go areas, and areas where negative impacts on biodiversity have occurred.
(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: (a)* ***wetlands,*** *namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).*	
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:** Information regarding wetlands in Portugal 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:** - Tec Pellets desk assessment and evaluation of the risks and possible impacts, including environmental, of harvesting operations. - Manifests (MCA and NMP). - Erosion, desertification programs and maps. - Approved EIA (Environmental Impact Assessment), when applicable. - Approved Forest Management Plan, when applicable. - Records of oil and hazardous chemical deliveries. - Records of Tec Pellets field inspections. - Monitoring records. - Regional Forest Plan. - Best Management Practices. - Level of enforcement. - Regional, publicly available data from a credible third party. **Evidence reviewed:** Government sources: - 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/ - Good Forest Practices: https://icnf.pt/florestas - EPIC WebGis Portugal - Ecological Planning, Investigation and Cartography: https://epic-webgisportugal.isa.ulisboa.pt - Convention on biological diversity: [https://www.cbd.int/convention/](https://www.cbd.int/conventio

	n/) 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: 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: - EIA – Environmental Impact Assessment: D.L. nº 151-B/2013 de 31/10 - 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. - Rede Natura 2000: https://www.icnf.pt/conservacao/redenatura2000 - Important Bird Areas of Portugal: https://ibas-terrestres.spea.pt/pt/ - National Ecological Reserve/Reserva Ecológica Nacional: D.L. nº 239/12, 02/11 - 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. - 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, peatland, heathlands, grassland areas, nor primary forests or old growth forest, including areas that had any of that status in or after January 2008. Specified risk: private and communitarian forest areas classified by the National System of Classified Areas (SNAC) and in 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, without Forest Management Plan, areas with identified classified habitats, wetlands, peatland, heathlands, grassland areas, primary forests, old growth forest, including areas that had any of that status in or after January 2008. 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. - Supplier's declaration/agreement. - Confirmation of legal situation of qualified suppliers. - Confirmation of legal situation of the operation and sourcing area. - Procedures of field Inspections to verify the aspects related with supplier, operations and sourcing area legal situation. Analysis of sourcing area information regarding environmental aspects, 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, as well as in the best Forestry practices. - 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. - Disqualify material coming from whose legal situation of harvesting cannot be confirmed, no-go areas, and areas where negative impacts on biodiversity have occurred.
(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was **peatland** in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.*	
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:** Considering peatlands in Portugal, there is a high concentration of these ecosystems in the Northwest mountains (e.g., the Peneda-Gerês National Park) and in the Serra da Estrela. Nevertheless, peatlands are also found in lowlands in the coastline, sublittoral, and rear settings, across the Portuguese Centro region coasts, the Tagus-Sado lower basin, and Southwest Alentejo and Vicentine Coast. In the southwestern areas of Portugal, a lesser number of peatlands are found. **Means of verification:** - Tec Pellets desk assessment and evaluation of the risks and possible impacts, including environmental, of harvesting operations. - Manifests (MCA and NMP). - Erosion, desertification programs and maps. - Approved EIA (Environmental Impact Assessment), when applicable. - Approved Forest Management Plan, when applicable. - Records of oil and hazardous chemical deliveries. - Records of Tec Pellets field inspections. - Monitoring records. - Regional Forest Plan. - Best Management Practices. - Level of enforcement. - Regional, publicly available data from a credible third party. **Evidence reviewed:** - Government sources: - 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/ - Good Forest Practices: https://icnf.pt/florestas - EPIC WebGis Portugal - Ecological Planning, Investigation and Cartography: https://epic-webgisportugal.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: 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: - EIA – Environmental Impact Assessment: D.L. nº 151-B/2013 de 31/10 - 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. - Rede Natura 2000: https://www.icnf.pt/conservacao/redenatura2000 - Important Bird Areas of Portugal: https://ibas-terrestres.spea.pt/pt/ - National Ecological Reserve/Reserva Ecológica Nacional: D.L. nº 239/12, 02/11 - 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. 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, peatland, heathlands, grassland areas, nor primary forests or old growth forest, including areas that had any of that status in or after January 2008. Specified risk: private and communitarian forest areas classified by the National System of Classified Areas (SNAC) and in 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, without Forest Management Plan, areas with identified classified habitats, wetlands, peatland, heathlands, grassland areas, primary forests, old growth forest, including areas that had any of that status in or after January 2008. 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. - Supplier's declaration/agreement. - Confirmation of legal situation of qualified suppliers. - Confirmation of legal situation of the operation and sourcing area. - Procedures of field Inspections to verify the aspects related with supplier, operations and sourcing area legal situation. Analysis of sourcing area information regarding environmental aspects, 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, as well as in the best Forestry practices. - 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. - Disqualify material coming from whose legal situation of harvesting cannot be confirmed, no-go areas, and areas where negative impacts on biodiversity have occurred.
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
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	*Not applicable, requirement only applies to Level A*

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 EU RED Level A risk assessment for Article 29(7) LULUCF_v1.4
Level B management system at the level of the forest sourcing area	N/A

Countries where EU RED Supply Base Evaluation is used	
Country	Spain
Area	Galicia and Castilla y León
Sustainable harvesting criteria 29(6)	
(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:** The FSC National Risk Assessment for Spain: FSC-NRA-ES V1-1 ES_2018-09-11 establishes that: “Land tenure and use rights are covered by Spanish legislation and the authorities have implemented tools to record and monitor land tenure and use rights. Since ancient times, these rights have had great social and economic relevance, which is why they are widely developed and recognized. Examples of land tenure and use rights relevant to the Spanish context include but are not limited to surveying and marking of public forests, property registration and cadastre, boundaries (as property markers) on small private property...” Spain presents a value greater than 50 in the Transparency International corruption perception index, a value of 56 in 2024. Although the value has decreased since 2012 (65), there are no reports that significantly link corruption with the forestry sector. The level of governance can be classified as robust, both with respect to the accreditation of the property and the use of the land. The Cadastre (Catastro), and the Real Estate Registry (Registro de la Propiedad) constitute the basis of the property management and of the rural and urban buildings, as well as of the acts practiced on them (building refers to any real estate property being that rural or urban, agricultural or forest, comprising edification or not). The Cadastre strictly defines the characteristics of each rustic parcel, namely the location, configuration, limits and areas of the property and its built-up parts, being based on orthophoto maps with official validity. The Cadastre comprises other complementary information such as easements and restrictions, use and occupation, encumbrances or charges, urban parameter value, licenses, etc. The Real Estate Registry, which takes place in the land registry office, is the official archive where all property rights and other rights as well as charges on the real estate are registered and confirmed, without updated knowledge of which no legal act (purchase, sale, Mortgage, etc.) can be carried out on a rustic or urban building, or on a part or fraction of such. The most part of forest area is not registered, but when it is, it always prevails over cadastre. Differences between both records are quite common in rural plots, especially the geometry and the ownership. At the present, any change of ownership in Real Estate Registry requires previously the review of the cadastre record. It is common knowledge that rustic and urban buildings are inscribed in the cadastre, above all, because these services send, to the owner, a list of the respective articles each year (with the exception of properties not quoted in less value, as is often the case of rural properties), indicating the value of the property, the tax on the properties to be paid, called Property Municipal Tax (IBI). It is also considered among the stakeholders that there are a very reduced number of cases related to theft of timber and illegal use of land. The purchase documents (invoice, buyer-seller contract, previous agreement, among others listed here) are considered to be sufficient for the confirmation of legality of the feedstock considering that they provide all the relevant information of the seller, namely, name, fiscal number, address and identification number, most of

	the times more reliable information than the one found in the land registry permit. All the relevant information is disclosed by the seller of the wood, and this sale is declared to the fiscal authorities through invoicing, assuring the legality of ownership. There is no evidence of significant conflicts related to the ownership of forest land or the legitimacy of its use. Some small issues or conflicts have been identified, mostly at the local level, which are known and can be addressed through legal channels. Examples of these are: - Conflicts with easements or roads for public use. - Abandoned land not claimed by descendants (linked to emigration). - Documentation accrediting unregistered ownership, old documents or accreditation for immemorial use. Specially linked to small property. - Different levels of knowledge of property boundaries. - Conflicts with consortiums. There is, in turn, legislation that protects the use of land. Forest lands are classified as rustic within the Urban Plans and there is legislation that protects them from change of use. <u>Galicia:</u> The private forest overwhelmingly predominates, which represents 98% of the forest area, where in addition to the micro-forest property (minifundium) typical of Galician property (1,385,550 hectares of private owners, the vast majority of which are micro-properties, 69% of the forests private) includes forests under the Communal Regime (608,646 hectares, 31% of private forests), both Germanic (Neighbourhood Forests in Common Hand, MVMC) and Roman (Abertales, Fabeo and others). There is 2% of the surface public property. <u>Castilla y León:</u> The Community's Forest area amounts to 4,838,441 hectares. The number of forest owners in Castilla y León amounts to 719,039, with an average area of 6.73 ha per owner. The province with the largest forest area and number of owners is León, with more than 1 million hectares, and the smallest Valladolid with 150,000 ha. 55% of the surface is public property and 45% private. In the north of the Community, public ownership of the land predominates, around 80%, in the case of León. The central provinces of Castilla y León have more balanced ownership percentages and as one advances south, private ownership predominates in the provinces with pastures -Ávila and Salamanca especially- where 82% of the land corresponds to private owners. Town halls, neighbourhood councils, villa and land communities and other public entities are the main forest owners in the Community. In total, there are 5,405 owners who own more than 2.6 million hectares. The average size of these properties is very close to 500 hectares. The largest forests are in the province of Soria and the smallest in Valladolid. The largest owner in Castilla y León is the Junta with more than 90,000 hectares. Also, considering the high level of control of public authorities over forest management and planning, the fact that an individual has authorization to perform forestry operations on a piece of land implies

	that there is legitimacy over the use of that land. Regarding EUTR, Regulation (EU) No 995/2010 (RUEM), of 20 October, entered into force in March 2013, and Decree-Law no. 76/2013, for its application in Spain, was published on 5 of June of the same year. Within the framework of the EUTR, two types of agents are defined: - Operator, understood as any singular or collective person who places on the market wood or wood products, and - Trader, understood as any natural or collective person who during a commercial activity sells or purchase on the internal market of the European Union (EU) wood or wood products already placed on the internal market. Operators must have a due diligence system in place for each wood/timber acquisition, which includes procedures for access to information, risk assessment and risk mitigation. Furthermore, traders must maintain relevant information about suppliers and buyers of products as well volumes traded. This information must be kept and be provided to competent authorities upon request. Operators placing timber on the EU market for the first time should provide records of where the timber is originated, species, and quantities. In Spain operators must submit an annual declaration detailing: - Species - Volumes - Certifications. and - Country of origin of all purchased wood. The Competent Authority for ensuring implementation of the EUTR are the Autonomous Communities. Several complaints from environmental NGOs were reported, because of the lack of control of the Competent Authorities. But all these claims refer to the lack of verification of wood imports and does not affect the exploitation of national forests. The Spanish government report the monitoring of inspections carried out by the competent authorities and their results (LIGNUM program). **Means of verification:** - EUTR declaration. - Cadastre: https://www.sedecatastro.gob.es - Internal records with information about the origin, species, supplier, carrier. One of the following documents available: . Work/harvesting notification . Work/harvesting authorisation . Allocation of the public forest works contract . Contract/Allocation with the landowner /manager **Evidence reviewed:** - FSC National Risk Assessment for Spain, FSC-NRA-ES V1-1 ES_2018-09-11. - Royal Decree 1088/2015. - Study on wood control procedures and risk assessment in each

	Autonomous Community for the application of the Due Diligence System. - Competent Authorities, EUTR. Galicia: - CORWEB system, presentation of responsible declarations and authorization requests for timber and woody uses: https://ovmediorural.xunta.gal/es/tramites/corweb - CORWEB access: https://sedeglidbrokerext.xunta.gal/cas/loginservice=https%3A%2F%2Fcorweb2020.xunta.gal%2Fcorweb2020%2Flogin%2Fcas - RESPOR: https://ovmediorural.xunta.gal/es/tramites/resforcomunicacion-anual-de-datosempresas-forestales - MR617E - Annual communication of data to the register of companies in the forestry sector of Galicia: https://sede.xunta.gal/detalleprocedemento?codtram=MR617E&ano=2014&numpub=1&lang=gl Castilla y León: - Processing procedure for the use of b les and ligneous wood: https://www.tramitacastillayleon.jcyl.es/web/jcyl/AdministracionElectronica/es/Plantilla100Detalle/1251181050732/formularios/1284385153587/Tramite - EUTR: https://medioambiente.jcyl.es/web/es/medionatural/comerciolegal-maderaproductos.html - EUTR Responsible Declaration: https://economia.jcyl.es/web/es/industria/declaracionresponsablecomercializacion-productos.html **Risk designation:** Low risk. Tec Pellets is FSC and PEFC certified, and sources feedstock in Spain in managed community forest areas. There are appropriate control systems and procedures to ensure that: - legality of ownership and land use can be demonstrated for the Supply Base, and - feedstock is legally harvested and supplied and follows EUTR legality requirements.
(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:** Silviculture purposes in Mediterranean forests include the maintenance of ecosystems and the improvement of their natural functions, and so the encouraging of natural regeneration is always one of the main objectives in any of the forest operations. Article 50 of Law 21/2015 on Forestry

	stipulates that the autonomous communities must guarantee the conditions for the restoration of forest land burned, and the following shall be prohibited: - Change in forest use for at least 30 years. - Any activity inconsistent with the regeneration of the forest cover during the period determined by regional legislation. Conversion of natural forests to plantations or other land uses is generally not allowed under the Spanish law, except in the following circumstances: - The change in use of a forest when it is not motivated by reasons of general interest, and without prejudice to the provisions of Article 18.4 of Law 21/2015 on Forestry (regarding records of forests catalogued with public declarations other than forest use) and applicable environmental regulations, will be exceptional and require a favourable report of the competent forestry body and, where appropriate, the owner of the forest. - The competent forestry body shall regulate cases in which, without a change in forest use, authorization is required for the substantial change of the forest cover. Galicia: With the data on the increase in the eucalyptus surface in the last 25 years, there have been both legal and illegal changes of this species. It does not seem, however, that the area that comes from cutting native hardwoods, even if it exists, is relevant. All the surface data consulted on a Galician scale indicate that the surfaces of autochthonous hardwoods are also increasing in Galicia. The legislation (Galician Forestry Law) establishes in its article 67 that " reforestation and new plantations interspersed with the genus Eucalyptus are prohibited in those areas populated by species from annex 1, even after their use or their affectation by a Forest fire. This prohibition will not be applicable in cases of regeneration after planting or regeneration, on the lower floor or undergrowth, of species listed in Annex 1." Therefore, there is a legal prohibition to carry out these transformations with established fines for violators. No reference to similar problems linked to Pinus radiata in Galicia has been found. As a result of the large fires that have affected the environment in recent years and have generated social alarm due to their virulence and danger, the Xunta de Galicia has established a moratorium on new eucalyptus plantations through the ninth transitory provision of Law 11/2021, of Recuperación da Terra Agraria, which establishes the prohibition of new eucalyptus plantations with the conditions indicated in the provision. In addition, the administration's own surveillance tasks have been increased with respect to reforestation with eucalyptus, having significantly increased the disciplinary proceedings for infractions of the regulations. Castilla y León: Theoretically there could be situations of conversion in poplar production areas (a very relevant sector at an economic level in Castilla y León) due to the elimination of riparian forest, although no relevant evidence of these situations has been found since the Riparian forests are probably

	one of the ecosystems hardest hit by human activity due to the high productivity of the soils on which they are based and, currently, wherever they exist, they are protected. **Means of verification:** - Historical maps and orthophotos - Records of field inspections - Monitoring records - Forestry work/harvesting authorisation/ allocation - Cartography available and consultation with the competent bodies of the Autonomous Communities regarding transformations - Management Plan, development project - Signed agreements and contracts. **Evidence reviewed:** - Forestry Law consolidated text (Law 43/2003 on Forestry modified by Laws 10/2006, of April 28 and 21/2015, of July 20): https://www.boe.es/buscar/act.php ?id=BOE-A-2003-21339 - Law 7/2017 of Montes de Galicia, consolidated text: https://www.boe.es/buscar/pdf/2012/BOE-A-2012-11414-consolidado.pdf - Galician Land Law 2/2016, consolidated text: https://www.boe.es/buscar/pdf/2016/BOE-A-2016-3191-consolidado.pdf - Law for the Recovery of Agrarian Lands of Galicia: https://info-sitegal.xunta.gal/es/paxina/lei-112021-do-14-de-maio-derecuperacion-da-terra-agraria-de-galicia - Galicia: https://www.campogalego.es/lei-de-recuperacion-da-terraagraria-escenario-y-retosen-el-dia-0/ - Law 3/2009, of April 6, on mountains of Castilla y León: https://www.boe.es/buscar/act.php?id=BOE-A-2009-7698 - FSC-NRA-ES V1-1 National Risk Assessment for Spain: https://fsc.org/en/document-centre/documents/resource/168 - Cartography web visors: https://sig.mapama.gob.es/geoportal/ Galicia: https://mapas.xunta.es/visores/conservaciondanatureza/ Castilla y León: https://idecyl.jcyl.es/vcig/ **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. **Mitigation measures:** - Analysis of owner's information regarding the future area’s cover and use - Procedures for conduct field Inspections - Suppliers qualification - Monitoring plan - Disqualify material which legal situation of harvesting cannot be

	confirmed - Disqualify material harvested from forest areas not regenerated nor planned to be regenerated.
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, 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:** Most important forest areas with high concentration of nature conservation values have been identified and designated as classified or protected areas at national and/or EU level (ZEPA, LIC, Natura 2000 sites, Natural and National Parks). All of these areas are clearly mapped in cartography. Information on location and geographical distribution of nature conservation areas, rare, threatened and endangered species and habitats can be considered sufficient. There are legal instruments to identify, map and protect the network of areas of high conservation importance by the Ministry of Agriculture, Fishing and Food. The Law 42/2007, of December 13, on Natural Heritage and Biodiversity establishes the basic legal regime for the conservation, sustainable use, improvement and restoration of the Spanish natural heritage and biodiversity and includes the basic framework for the management of the Natura 2000 network. This is complemented by relevant regulations in each Autonomous Community. It also includes the international standards and recommendations that international environmental organizations, such as the Council of Europe or the Convention on Biological Diversity, have published. Spain is contributing the most to the Natura 2000 network among all European countries. The implementation of it in Spain means extending the protected area status to approximately 28% of the territory, a significant proportion. In Spain there are 1,863 Natura 2000 sites, of which 1,467 are Sites of Community Importance (LIC, Lugares de Importancia Comunitaria) and 644 are Special Protection Areas for Birds (ZEPA, Zonas Especiales de Protección para las Aves), covering 27.3% of Spanish territory; some LIC and ZEPA overlap. Although Natura 2000 and other protected areas include a large proportion of HCV present in Spain (mainly HCV 1, 2 and 3), HCV are also present outside protected areas. In these cases, Law 42/2007 and the legislation of the HCV are a complementary safeguard against potential threats to HCV from forest management activities. At the operational level, Law 21/2015 on Forestry with its subsequent amendments and other detailed developments by the HCV provide an additional safeguard against threats to HCV from forest management activities through monitoring and control measures on the ground when forest products are marked and harvested. In terms of law enforcement,

	it is widely accepted among the experts that there is a high level of implementation of the above-mentioned legislation. HCV attributes are well identified and mapped within the area of assessment, as well as data from voluntary forest certification schemes, namely FSC and PEFC. Spain has signed the Ramsar Convention on Wetlands, a global treaty to protect wetlands which has paved the way for the development of targeted programs focused on their conservation, restoration, and sustainable management in order to protect them. Spain has the Strategic Plan for Wetlands 2030, which outlines the actions needed to address the factors driving loss and degradation. The general purpose of this Strategic Plan is to prevent, halt and reverse the loss and degradation of wetlands in Spain, helping to guarantee: (i) the maintenance of the habitats and species they support and their capacity to provide essential ecosystem services, (ii) to promote their recovery and (iii) to achieve their value and the recognition of the multiple benefits they provide. It is a roadmap that identifies the measures that must be implemented urgently to systematically and continuously address the factors of loss and degradation of wetlands in the country. Determines priorities and goals and specifies actions and timetables to achieve them. It also responds to Spain's obligations as a member of the Ramsar Convention on Wetlands and the European Union (European Union Biodiversity Strategy for 2030) and is in line with the national strategic planning in the field of natural heritage, biodiversity, green infrastructure, ecological connectivity and restoration. Areas occupied by peatlands in Spain are estimated to be around 350 km2, i.e., barely 0,07% of the national territory. The EU Habitats Directive and the Natura 2000 network of protected areas are vital for saving Europe's peatlands. 33 000 km2 of peatlands are already protected under this Directive across 8 700 Natura 2000 sites. Also, the European Commission's EU Biodiversity Strategy for 2030 calls for peatland restoration and their strict protection. Grasslands in Spain envolves about 22% of Spain’s land mass. Based on satellite data, EU Grassland Watch provides grassland information in 3 689 Natura 2000 sites in 27 EU Member States, Spain included. Covering the period from 1994 until the present, the information in this portal exploits Landsat and, since 2016 Copernicus Sentinel 1, and 2, images. Allows to explore grassland cover changes at land parcel, Natura 2000 site or regional levels. Heathlands and shrubs cover about 4% and sparsely vegetated lands 1.5% of the EU land area. They are distributed across all the biogeographic regions of Europe from Mediterranean, including Spain, to boreal regions and lowlands to high altitudes. By law, forest activities with certain characteristics and of a certain size must have an environmental impact report prior to the request for license activity. Environmental impacts of harvesting activities, like soil or water course damage, are well regulated in Spanish legislation. No reports on violations of this legislation were found. The assessment

	of environmental impacts of harvesting activities on the land or watercourses is well regulated in Spanish legislation. The environmental impact report for operations near water zones needs to be provided to the Forest Service when applying for the Authorization for Harvesting, otherwise it cannot be issued. The Autonomous Communities have their own personnel to carry out law enforcement. Within the Civil Guard there is also the SEPRONA unit (Nature Protection Service), which carries out the enforcement of environmental laws. Environmental impact assessment projects are required by Law 21/2013, of 9 December. It indicates the obligation to develop an environmental impact assessment for any reforestation area project greater than 50 ha. Environmental assessments do not act as licences but as a prior and binding requirement to obtain a certain authorisation or resolution. **Means of verification:** - Legislation in force - Online maps - Forest Management Plans - Priority Classified Habitat and species catalogue - Regional, publicly available data from a credible third party as FSC and PEFC reports **Evidence reviewed:** - Biodiversity strategy for 2030 – European Commission: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en - Ramsar Convention on Wetlands: https://www.ramsar.org/ - Spain Strategic Plan for Wetlands to 2030: Plan Estratégico de Humedales a 2030: https://www.miteco.gob.es/content/dam/miteco/es/biodiversidad/planesy-estrategias/planestrategicodehumedalespublicacionoficial_tcm30-548431.pdf - Directive - 92/43 - EN - Habitats Directive - EUR-Lex: https://eur-lex.europa.eu/eli/dir/1992/43/oj/eng - The Natura 2000 protected areas network — European Environment Agency: https://www.eea.europa.eu/themes/biodiversity/natura-2000#:~:text=Natura%202000%20is%20a%20network%20of%20protected%20areas,Member%20States%2C%20both%20on%20land%20and%20at%20sea - EU Grassland Watch: https://ec.europa.eu/eu-grassland-watch/ - Ecosystems and their services | Biodiversity Information System for Europe: https://biodiversity.europa.eu/europes-biodiversity/ecosystems - Europarc: https://www.redeuroparc.org - Law 42/2007 on Natural Heritage and Biodiversity: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - FSC-NRA-ES V1-1 National Risk Assessment For Spain: https://fsc.org/en/documentcentre/documents/resource/168 - Cartography web visors: https://sig.mapama.gob.es/geoportal/

	Galicia: https://mapas.xunta.es/visores/conservaciondanatureza/ https://mapas.xunta.gal/visores/aproveitamentos/ Castilla y León: https://idecyl.jcyl.es/vcig/ **Risk designation:** Low risk: areas where forest management plan exists or FSC or PEFC certified areas. Specified risk: in areas where no forest management plan is available. In this indicator are considered all the relevant findings of the FSC Controlled Wood National Risk Assessment for Spain. **Mitigation measures:** - Check that harvesting operations are authorized by the Forest Service and that are not subject to environmental impact assessments - Best forest management practices during harvesting operations - Procedures for conduct field Inspections - Suppliers qualification - Monitoring plan
(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	
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:** The main problem of soil quality of Mediterranean forests is desertification increased by climate change, loss of nutrients and erosion. Climate change will deteriorate soil fertility through a loss of carbon from the soil. The following conditions of large areas of Spain and the Mediterranean region is associated with desertification processes: - The semi-arid climate in large areas, seasonal droughts, extreme variability of rains and sudden high intensity rains. - Poor soils with a marked trend to erosion. - Uneven relief, with steep slopes and very diversified landscapes. - Losses of forest cover due forest fires. The combination of factors and processes such as aridity, drought, erosion, forest fires, overexploitation of coastal areas, etc., gives rise to the different landscapes or scenarios typical of desertification in Spain. The European Court of Auditors (ECA) research indicates that up to 44% of Spain runs a great risk of soil erosion. Protection against erosion is

	addressed via the National Plan of Prioritized Actions to Hydrological and Forest Restoration, Soil Erosion Control and Combating Desertification. Flood protection is addressed by the Flood Risk Prevention and Management Directive, which draws up Flood Risk Management Plans. These plans designate the priority watersheds and develop programs and actions to be carried out. The plan is operating on more than 18,4 million hectares, of which 3,5 million are a priority. Several laws in each autonomous community regulate management and harvesting, including specific technical limitations (among others, machinery to be used according to the soil conditions, etc.). The legislation is complemented with a high degree of implementation. There are no published reports on significant impacts of forest activities. The increase of forest and artificial surfaces is considered an important factor for decreasing erosion, new forests on abandoned agricultural lands improve the soil quality. The risk of erosion also depends on the kind of terrain where harvesting is conducted. Another problem for soil quality in Spain is a loss of nutrients specially in Mediterranean area. And mountain areas also require a special attention in terms of erosion. Spain is one of the countries with the greatest biological diversity in the EU due, among others, to factors such as its geographical position, its geological diversity, the great climatic, orographic and edaphic variability, its paleo biogeographical history or the existence of islands. Law 42/2007 on Natural Heritage and Biodiversity establishes the basic legal regime for the conservation, sustainable use, improvement and restoration of natural heritage and biodiversity with a series of instruments for knowledge and planning of natural heritage and biodiversity, such as the Spanish Inventory of Natural Heritage and Biodiversity, the Strategic Plan for Natural Heritage and Biodiversity and the Guidelines for the Management of Natural Resources. Regarding the conservation of habitats and natural spaces, it incorporates Marine Protected Areas and includes the provisions relating to the Natura 2000 European Ecological Network and Areas protected by international instruments. Regarding the conservation of wild biodiversity, the law creates the List of Species under Special Protection Regime and the Spanish Catalogue of Threatened Species, as well as the Spanish Catalogue of Invasive Alien Species. The protection of species in relation to inland hunting and fishing is also regulated and the Spanish Hunting and Fishing Inventory is established. In the same way, access to genetic resources from wild taxa and the distribution of benefits derived from their use are regulated. The law also creates the Fund for Natural Heritage and Biodiversity, a co-financing instrument aimed at ensuring territorial cohesion and the achievement of the objectives of the law, the State Commission for Natural Heritage and Biodiversity, as an advisory community, and the State Council for Natural Heritage and Biodiversity, as a body for public participation in the field of conservation and sustainable use of natural heritage and biodiversity. In addition, in Spain there is a systematic legal framework for protection and a good level of governance linked to the degree of control by the forestry authority of

	activities in the natural environment. **Means of verification:** - Existing legal framework: laws, regulations and control bodies - Manual of good practices - Records of field inspections - Desk assessment of the harvesting areas on soil and biodiversity aspects - Assessment at an operational level of measures designed to minimise impacts - Erosion and desertification programs and maps - Approved Forest Management Plan - Lists of protected and threatened species - Agreements/Contracts with suppliers. **Evidence reviewed:** - Map of erosion: https://www.ign.es/espmap/mapas_riesgos_bach/Riesg_Mapa_07.htm - National erosion inventory: https://www.mapa.gob.es/es/desarrollorural/temas/politicaforestal/inventario-cartografia/inventario-nacional-erosion-suelos/ - National desertification: https://www.mapa.gob.es/es/desarrollorural/temas/politicaforestal/desertificacion-restauracion-forestal/ - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - Biodiversity Concept: https://www.ecologistasenaccion.org/6296/biodiversidad-que-es-dondeseencuentra-y-por-que-es-importante/ - Biodiversity Concept: https://www.biodiversidad.gob.mx/biodiversidad/que_es - Protected Spaces Spain: https://www.miteco.gob.es/es/biodiversidad/temas/espaciosprotegidos/espacios-naturales-protegidos/ - Nature Data Bank, Protected Areas Spain: https://www.miteco.gob.es/es/biodiversidad/servicios/banco-datosnaturaleza/informaciondisponible/ENP_Descargas.aspx#prettyPhoto - Map of Protected Areas Spain: https://www.miteco.gob.es/es/biodiversidad/servicios/bancodatosnaturaleza/informaciondisponible/ENP_Descargas.aspx#prettyPhoto[pp_gal]/0/ - GIS layers National Storages: https://www.miteco.gob.es/es/red-parques-nacionales/sig/ - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Current situation of the List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species:

	https://www.miteco.gob.es/es/biodiversidad/temas/conservacion-deespecies/especiesproteccion-especial/ce-protection-listingsituation.aspx - FSC National Risk Assessment for Spain, FSC-NRA-ES V1-1 ES_2018-09-11: https://members.fsc.org/en/document-centre/documents/resource/168 - Study on wood control procedures and risk assessment in each Autonomous Community for the application of the Due Diligence System: https://www.miteco.gob.es/es/biodiversidad/publicaciones/control_cortas_de_madera_espanya_2012_tcm30-152390.pdf - Natura 2000 Network: https://www.juntadeandalucia.es/medioambiente/portal/areastematicas/espacios-protegidos/espacios-protegidos-red-natura-2000 - REDIAM viewer: https://portalrediam.cica.es/VisorRediam/ - Downloads of Environmental Information: https://portalrediam.cica.es/descargas Galicia: - Protected Spaces: https://cmaot.xunta.gal/seccion tema/c/CMAOT_Conservacioncontent=Direccion_Xeral_Conservacion_Natureza/Espazos_protexidos/seccion.html&std=presentacion.html - Nature Conservation Viewer: https://mapas.xunta.es/visores/conservaciondanatureza/ - Galicia, forest exploitation viewer: https://mapas.xunta.gal/visores/aproveitamentos/ - Cartography of Galicia: https://www.sergas.es/Saudepublica/GISCartografia-Galicia-formatovectorial-SHP?idioma=es Castilla y León: - NETWORK OF PROTECTED NATURAL AREAS (RANP) CyL: https://medioambiente.jcyl.es/web/es/medio-natural/espaciosnaturales.html - REN CyL map: https://datosabiertos.jcyl.es/web/jcyl/set/es/medioambiente/la-red-espaciosnaturales-cyl/1284687312196 - IDECYL REN CyL: https://idecyl.jcyl.es/geonetwork/srv/spa/catalog.search#/metadata/SPAGOBCYLMNADTSPSREN - CyL Natural Heritage: https://patrimonionatural.org **Risk designation:** This indicator is classified as: Low risk for duly managed or FSC or PEFC certified forest areas. - SOIL: Specific risk because of the erosion, desertification and loss of nutrients in not duly managed forest areas. - BIODIVERSITY: Specific risk for felling on private property with a continuous cutting

	surface of over 50 hectares. **Mitigation measures:** - Tec Pellets evaluates the impacts of its operations considering maintenance of soil quality and biodiversity, through the implementation of the following good practices: - Where needed, considering the soil and groundwater level, only selective cuttings and small clear cuts of maximally 5 ha are planned. - 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 shall be cleared to prevent forest fires). - Not operate near-water areas. - Not operate in primary forests. - Not operate in old growth forests. - Harvesting of stumps and roots are avoided. - 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.
(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:** The available forestry statistics of national forestry inventory show a significant increase in timber stocks in Spain from inventory to inventory as a result of both the continued increase in forest area in recent decades and the improvement in forest cover. Also, according to the reports produced by the Ministry's Forestry Service, the annual growth of wood in Spanish forests (45 million m3) is about three times greater than the amount harvested (15 million m3 per year). This balance, with an extraction rate of 35%, is maintained with the current data. However, the figures vary widely between Autonomous Communities. In all cases, the felling figures are lower than the growth figures. The different laws in each Autonomous Community regulate forest operations, use and specific technical limitations (type of logging, maximum allowable cutting area, machinery to be used according to the soil conditions, etc.), diameters (minimum and/or maximum), species and other parameters. **Means of verification:** - Management Plans - National or regional inventories, stocks and growth data - Harvested volume data - Type of forestry operations. **Evidence reviewed:** - Source of information of volume and species explored by Autonomous

	Community: Galicia: https://mediorural.xunta.gal/es/recursos/estadisticas/estadisticasforestal.es/ Castilla y León: https://medioambiente.jcyl.es/web/jcyl/MedioAmbiente/es/Plantilla100/1131977831418/_/_/_ - Montero, G. and SERRADA, R. 2013. La situación de los Bosques y el sector en España - ISFE 2013 Sociedad Española de Ciencias Forestales. **Risk designation:** Low risk. Harvest levels are justified by inventory and growth data.
(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(a) **primary forest** and other wooded land and **old growth forest,** namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of **old growth forest** at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*	
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	Namely, this indicator addresses to biomass fuel that shall not be made from feedstock obtained from primary forest and old-growth forest (no-go areas). **Finding:** Most relevant forest areas with high concentration of nature conservation values have been identified and designated as classified or protected areas at national and/or EU level (ZEPA, LIC, Natura 2000 sites, Natural and National Parks). All these areas are clearly mapped in cartography. Information on location and geographical distribution of nature conservation areas, rare, threatened and endangered species and habitats can be considered sufficient. There are legal instruments to identify, map and protect the network of areas of high conservation importance by the Ministry of Agriculture, Fishing and Food. The Law 42/2007, of December 13, on Natural Heritage and Biodiversity establishes the basic legal regime for the conservation, sustainable use, improvement and restoration of the Spanish natural heritage and biodiversity and includes the basic framework for the management of the Natura 2000 network. This is complemented by relevant regulations in each Autonomous Community. It also includes the international standards and recommendations that international

	environmental organizations, such as the Council of Europe or the Convention on Biological Diversity, have published. Spain is contributing the most to the Natura 2000 network among all European countries. The implementation of it in Spain means extending the protected area status to approximately 28% of the territory, a significant proportion. In Spain there are 1,863 Natura 2000 sites, of which 1,467 are Sites of Community Importance (LIC, Lugares de Importancia Comunitaria) and 644 are Special Protection Areas for Birds (ZEPA, Zonas Especiales de Protección para las Aves), covering 27.3% of Spanish territory; some LIC and ZEPA overlap. Although Natura 2000 and other protected areas include a large proportion of HCV present in Spain (mainly HCV 1, 2 and 3), HCV are also present outside protected areas. In these cases, Law 42/2007 and the legislation of the HCV are a complementary safeguard against potential threats to HCV from forest management activities. At the operational level, Law 21/2015 on Forestry with its subsequent amendments and other detailed developments by the HCV provide an additional safeguard against threats to HCV from forest management activities through monitoring and control measures on the ground when forest products are marked and harvested. In terms of law enforcement, it is widely accepted among the experts that there is a high level of implementation of the above-mentioned legislation. HCV attributes are well identified and mapped within the area of assessment, as well as data from voluntary forest certification schemes, namely FSC and PEFC. By law, forest activities with certain characteristics and of a certain size must have an environmental impact report prior to the request for license activity. Environmental impacts of harvesting activities, like soil or water course damage, are well regulated in Spanish legislation. No reports on violations of this legislation were found. The assessment of environmental impacts of harvesting activities on the land or watercourses is well regulated in Spanish legislation. The environmental impact report for operations near water zones needs to be provided to the Forest Service when applying for the Authorization for Harvesting, otherwise it cannot be issued. The Autonomous Communities have their own personnel to carry out law enforcement. Within the Civil Guard there is also the SEPRONA unit (Nature Protection Service), which carries out the enforcement of environmental laws. Environmental impact assessment projects are required by Law 21/2013, of 9 December. It indicates the obligation to develop an environmental impact assessment for any reforestation area project greater than 50 ha. Environmental assessments do not act as licences but as a prior and binding requirement to obtain a certain authorisation or resolution. Regarding the conservation of habitats and natural spaces, it incorporates Marine Protected Areas and includes the provisions relating to the Natura 2000 European Ecological Network and Areas protected by international instruments. Also, in Spain there is a systematic legal framework for protection and a good level of governance linked to the degree of control by the forestry authority of activities in the natural environment. **Means of verification:** - Existing legal framework: laws, regulations

	and control bodies - Online maps - Forest Management Plans - Priority Classified Habitat and species catalogue - Regional, publicly available data from a credible third party as FSC and PEFC reports - Manual of good practices - Records of field inspections - Desk assessment of the harvesting areas - Assessment at an operational level of measures designed to minimise impacts - Agreements/Contracts with suppliers (when applicable). **Evidence reviewed:** - Biodiversity strategy for 2030 – European Commission: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en - Ramsar Convention on Wetlands: https://www.ramsar.org/ - Spain Strategic Plan for Wetlands to 2030 -*Plan Estratégico de Humedales a 2030*: https://www.miteco.gob.es/content/dam/miteco/es/biodiversidad/planesy-estrategias/planestrategicodehumedalespublicacionoficial_tcm30-548431.pdf - Directive - 92/43 - EN - Habitats Directive - EUR-Lex: https://eurlex.europa.eu/eli/dir/1992/43/oj/eng - The Natura 2000 protected areas network — European Environment Agency: https://www.eea.europa.eu/themes/biodiversity/natura-2000#:%7E:text=Natura%202000%20is%20a%20network%20of%20protected%20areas,Member%20States%2C%20both%20on%20land%20and%20at%20sea - EU Grassland Watch: https://ec.europa.eu/eugrassland-watch/ - Ecosystems and their services | Biodiversity Information System for Europe: https://biodiversity.europa.eu/europesbiodiversity/ecosystems - Europarc: https://www.redeuroparc.org - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - FSC-NRA-ES V1-1 National Risk Assessment for Spain: https://fsc.org/en/documentcentre/documents/resource/168 - Cartography web visors: https://sig.mapama.gob.es/geoportal/ - Biodiversity Concept: [https://www.ecologistasenaccion.org/6296/biodiversidadque-es-donde-seencuentra-y-por-que-es-importante/](https://www.ecologistasenaccion.org/6296/biodiversidadque

	-es-donde-seencuentra-y-por-que-es-importante/) - Protected Spaces Spain: https://www.miteco.gob.es/es/biodiversidad/temas/espaciosprotegidos/ - Nature Data Bank, Map of Protected Areas Spain: https://www.miteco.gob.es/es/biodiversidad/servicios/banco-datosnaturaleza/informaciondisponible/ENP_Descargas.aspx#prettyPhoto - GIS layers National Storages: https://www.miteco.gob.es/es/red-parquesnacionales/sig/ - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Current situation of the List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.miteco.gob.es/es/biodiversidad/temas/conservacion-de-especies/especiesproteccion-especial/ - Study on wood control procedures and risk assessment in each Autonomous Community for the application of the Due Diligence System: https://www.miteco.gob.es/es/biodiversidad/publicaciones/control_cortas_de_madera_espanya_2012_tcm30-152390.pdf - Downloads of Environmental Information: https://portalrediam.cica.es/descargas Galicia: - Protected Spaces: https://cmaot.xunta.gal/seccion tema/c/CMAOT_Conservacioncontent=Direccion_Xeral_Conservacion_Natureza/Espazos_protexidos/seccion.html&std=presentacion.html - Nature Conservation Viewer: https://mapas.xunta.es/visores/conservaciondanatureza/ - Galicia, forest exploitation viewer: https://mapas.xunta.gal/visores/aproveitamentos/ - Cartography of Galicia: https://www.sergas.es/Saude-publica/GIS-Cartografia-Galiciaformatovectorial-SHP?idioma=eshttps://www.sergas.es/Saude-publica/GIS-Cartografia-Galiciaformatovectorial-SHP?idioma=es Castilla y León: - NETWORK OF PROTECTED NATURAL AREAS (RANP) CyL:

	https://medioambiente.jcyl.es/web/es/medionatural/espacios-naturales.html - REN CyL map: https://datosabiertos.jcyl.es/web/jcyl/set/es/medio-ambiente/la-redespaciosnaturalescyl/1284687312196 - IDECYL REN CyL: https://idecyl.jcyl.es/geonetwork/srv/spa/catalog.search#/metadata/SPAGOBCYLMNADTSPSREN - CyL Natural Heritage: https://patrimonionatural.org **Risk designation:** Low risk: areas where forest management plan exists or FSC or PEFC certified areas. Specified risk: in areas where no forest management plan is available. In this indicator are considered all the relevant findings of the FSC Controlled Wood National Risk Assessment for Spain. **Mitigation measures:** - Check that harvesting operations are authorized by the Forest Service and that are not subject to environmental impact assessments - Best forest management practices during harvesting operations - Procedures for conduct field Inspections - Suppliers qualification - Monitoring plan.
(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(b)* ***highly biodiverse forest*** *and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did 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:** Spain is one of the countries with the greatest biological diversity in the European Union due, among others, to factors such as its geographical position, its geological diversity, the great climatic, orographic and edaphic variability, its paleo biogeographical history or the existence of islands. Law 42/2007 on Natural Heritage and Biodiversity establishes the basic legal regime for the conservation, sustainable use, improvement and restoration of natural heritage and biodiversity with a series of instruments for knowledge and planning of natural heritage and biodiversity, such as the Spanish Inventory of Natural Heritage and Biodiversity, the Strategic Plan for Natural Heritage and Biodiversity and the Guidelines for the Management of Natural Resources. Regarding the conservation of wild biodiversity, the law creates the List of Species

	under Special Protection Regime and the Spanish Catalogue of Threatened Species, as well as the Spanish Catalogue of Invasive Alien Species. The protection of species in relation to inland hunting and fishing is also regulated and the Spanish Hunting and Fishing Inventory is established. In the same way, access to genetic resources from wild taxa and the distribution of benefits derived from their use are regulated. The law also creates the Fund for Natural Heritage and Biodiversity, a co-financing instrument aimed at ensuring territorial cohesion and the achievement of the objectives of the law, the State Commission for Natural Heritage and Biodiversity, as an advisory and cooperation body between the State and the autonomous communities, and the State Council for Natural Heritage and Biodiversity, as a body for public participation in the field of conservation and sustainable use of natural heritage and biodiversity. **Means of verification:** - Lists of protected and threatened species - Existing legal framework: laws, regulations and control bodies - Online maps - Forest Management Plans - Priority Classified Habitat and species catalogue - Regional, publicly available data from a credible third party as FSC and PEFC reports - Manual of good practices - Records of field inspections - Desk assessment of the harvesting areas - Assessment at an operational level of measures designed to minimise impacts - Agreements/Contracts with suppliers (when applicable). **Evidence reviewed:** - Biodiversity strategy for 2030 – European Commission: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en - Ramsar Convention on Wetlands: https://www.ramsar.org/ - Spain Strategic Plan for Wetlands to 2030 -*Plan Estratégico de Humedales a 2030*: https://www.miteco.gob.es/content/dam/miteco/es/biodiversidad/planesy-estrategias/planestrategicodehumedalespublicacionoficial_tcm30-548431.pdf - Directive - 92/43 - EN - Habitats Directive - EUR-Lex: https://eurlex.europa.eu/eli/dir/1992/43/oj/eng - The Natura 2000 protected areas network — European Environment Agency: https://www.eea.europa.eu/themes/biodiversity/natura-2000#:%7E:text=Natura%202000%20is%20a%20network%20of%20protected%20areas,Member%20States%2C%20both%20on%20land%20and%20at%20sea - EU Grassland Watch: https://ec.europa.eu/eugrassland-watch/ - Ecosystems and their

	services | Biodiversity Information System for Europe: https://biodiversity.europa.eu/europesbiodiversity/ecosystems - Europarc: https://www.redeuroparc.org - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - FSC-NRA-ES V1-1 National Risk Assessment for Spain: https://fsc.org/en/documentcentre/documents/resource/168 - Cartography web visors: https://sig.mapama.gob.es/geoportal/ - Biodiversity Concept: https://www.ecologistasenaccion.org/6296/biodiversidadque-es-donde-seencuentra-y-por-que-es-importante/ - Protected Spaces Spain: https://www.miteco.gob.es/es/biodiversidad/temas/espaciosprotegidos/ - Nature Data Bank, Map of Protected Areas Spain: https://www.miteco.gob.es/es/biodiversidad/servicios/banco-datosnaturaleza/informaciondisponible/ENP_Descargas.aspx#prettyPhoto - GIS layers National Storages: https://www.miteco.gob.es/es/red-parquesnacionales/sig/ - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Current situation of the List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.miteco.gob.es/es/biodiversidad/temas/conservacion-de-especies/especiesproteccion-especial/ - Study on wood control procedures and risk assessment in each Autonomous Community for the application of the Due Diligence System: https://www.miteco.gob.es/es/biodiversidad/publicaciones/control_cortas_de_madera_espanya_2012_tcm30-152390.pdf - Downloads of Environmental Information: https://portalrediam.cica.es/descargas Galicia: - Protected Spaces: [https://cmaot.xunta.gal/seccion tema/c/CMAOT_Conservacioncontent=Di

	reccion_Xeral_Conservacion_Natureza/Espazos_protexidos/seccion.html&std=presentacion.html](https://cmaot.xunta.gal/seccion tema/c/CMAOT_Conservacioncontent=Direccion_Xeral_Conservacion_Natureza/Espazos_protexidos/seccion.html&std=presentacion.html) - Nature Conservation Viewer: https://mapas.xunta.es/visores/conservaciondanatureza/ - Galicia, forest exploitation viewer: https://mapas.xunta.gal/visores/aproveitamentos/ - Cartography of Galicia: https://www.sergas.es/Saude-publica/GIS-Cartografia-Galiciaformatovectorial-SHP?idioma=es Castilla y León: - NETWORK OF PROTECTED NATURAL AREAS (RANP) CyL: https://medioambiente.jcyl.es/web/es/medionatural/espacios-naturales.html - REN CyL map: https://datosabiertos.jcyl.es/web/jcyl/set/es/medio-ambiente/la-redespaciosnaturalescyl/1284687312196 - IDECYL REN CyL: https://idecyl.jcyl.es/geonetwork/srv/spa/catalog.search#/metadata/SPAGOBCYLMNADTSPSREN - CyL Natural Heritage: https://patrimonionatural.orghttps://patrimonionatural.org/ **Risk designation:** Low risk: areas where forest management plan exists or FSC or PEFC certified areas. Specified risk: in areas where no forest management plan is available. In this indicator are considered all the relevant findings of the FSC Controlled Wood National Risk Assessment for Spain. **Mitigation measures:** - Check that harvesting operations are authorized by the Forest Service and that are not subject to environmental impact assessments - Best forest management practices during harvesting operations - Procedures for conduct field Inspections - Suppliers qualification - Monitoring plan.
(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*	

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:** Grasslands in Spain envolves about 22% of Spain's land mass. Based on satellite data, EU Grassland Watch provides grassland information in 3 689 Natura 2000 sites in 27 EU Member States, Spain included. Covering the period from 1994 until the present, the information in this portal exploits Landsat and, since 2016 Copernicus Sentinel 1, and 2, images. Allows to explore grassland cover changes at land parcel, Natura 2000 site or regional levels. **Means of verification:** - Existing legal framework: laws, regulations and control bodies - Online maps - Forest Management Plans - Priority Classified Habitat and species catalogue - Regional, publicly available data from a credible third party as FSC and PEFC reports - Manual of good practices - Records of field inspections - Desk assessment of the harvesting areas - Assessment at an operational level of measures designed to minimise impacts - Agreements/Contracts with suppliers (when applicable). **Evidence reviewed:** - Biodiversity strategy for 2030 – European Commission: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en - Directive - 92/43 - EN - Habitats Directive - EUR-Lex: https://eurlex.europa.eu/eli/dir/1992/43/oj/eng - The Natura 2000 protected areas network — European Environment Agency: https://www.eea.europa.eu/themes/biodiversity/natura-2000#:%7E:text=Natura%202000%20is%20a%20network%20of%20protected%20areas,Member%20States%2C%20both%20on%20land%20and%20at%20sea - EU Grassland Watch: https://ec.europa.eu/eugrassland-watch/ - Europarc: https://www.redeuroparc.org - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - FSC-NRA-ES V1-1 National Risk Assessment for Spain: https://fsc.org/en/documentcentre/documents/resource/168 - Cartography web visors: https://sig.mapama.gob.es/geoportal/ - Biodiversity Concept: [https://www.ecologistasenaccion.org/6296/biodiversidadque-

	es-donde-seencuentra-y-por-que-es-importante/](https://www.ecologistasenaccion.org/6296/biodiversidadque-es-donde-seencuentra-y-por-que-es-importante/) - Protected Spaces Spain: https://www.miteco.gob.es/es/biodiversidad/temas/espaciosprotegidos/ - Nature Data Bank, Map of Protected Areas Spain: https://www.miteco.gob.es/es/biodiversidad/servicios/banco-datosnaturaleza/informaciondisponible/ENP_Descargas.aspx#prettyPhoto - GIS layers National Storages: https://www.miteco.gob.es/es/red-parquesnacionales/sig/ - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Study on wood control procedures and risk assessment in each Autonomous Community for the application of the Due Diligence System: https://www.miteco.gob.es/es/biodiversidad/publicaciones/control_cortas_de_madera_espanya_2012_tcm30-152390.pdf - Downloads of Environmental Information: https://portalrediam.cica.es/descargas Galicia: - Protected Spaces: https://cmaot.xunta.gal/seccion tema/c/CMAOT_Conservacioncontent=Direccion_Xeral_Conservacion_Natureza/Espazos_protexidos/seccion.html&std=presentacion.html - Nature Conservation Viewer: https://mapas.xunta.es/visores/conservaciondanatureza/ - Galicia, forest exploitation viewer: https://mapas.xunta.gal/visores/aproveitamentos/ - Cartography of Galicia: https://www.sergas.es/Saude-publica/GIS-Cartografia-Galiciaformatovectorial-SHP?idioma=es Castilla y León: - NETWORK OF PROTECTED NATURAL AREAS (RANP) CyL: https://medioambiente.jcyl.es/web/es/medionatural/espacios-naturales.html - REN CyL map: [https://datosabiertos.jcyl.es/web/jcyl/set/es/medio-ambiente/la-redespaciosnaturalescyl/1284687312196](https://datosabiertos.jcyl.es/w

	eb/jcyl/set/es/medio-ambiente/la-redespaciosnaturalescyl/1284687312196) - IDECYL REN CyL: https://idecyl.jcyl.es/geonetwork/srv/spa/catalog.search#/metadata/SPAGOBCYLMNADTSPSREN - CyL Natural Heritage: https://patrimonionatural.orghttps://patrimonionatural.org/ **Risk designation:** Low risk: areas where forest management plan exists or FSC or PEFC certified areas. Specified risk: in areas where no forest management plan is available. In this indicator are considered all the relevant findings of the FSC Controlled Wood National Risk Assessment for Spain. **Mitigation measures:** - Check that harvesting operations are authorized by the Forest Service and that are not subject to environmental impact assessments - Best forest management practices during harvesting operations - Procedures for conduct field Inspections - Suppliers qualification - Monitoring plan.
(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(e) **heathland** - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).*	
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:** Heathlands and shrubs cover about 4% and sparsely vegetated lands 1.5% of the EU land area. They are distributed across all the biogeographic regions of Europe from Mediterranean, including Spain, to boreal regions and lowlands to high altitudes. **Means of verification:** - Lists of protected and threatened species - Existing legal framework: laws, regulations and control bodies - Online maps - Forest Management Plans - Priority Classified Habitat and species catalogue - Regional, publicly available data from a credible third party as FSC and PEFC reports - Manual of good practices - Records of field inspections - Desk assessment of the harvesting areas - Assessment at an operational level of measures designed to minimise impacts - Agreements/Contracts with suppliers (when applicable). **Evidence reviewed:** - Biodiversity strategy for 2030 – European Commission: [https://environment.ec.europa.eu/strategy/biodiversity-strategy-

	2030_en](https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en) - Directive - 92/43 - EN - Habitats Directive - EUR-Lex: https://eurlex.europa.eu/eli/dir/1992/43/oj/eng - The Natura 2000 protected areas network — European Environment Agency: https://www.eea.europa.eu/themes/biodiversity/natura-2000#:%7E:text=Natura%202000%20is%20a%20network%20of%20protected%20areas,Member%20States%2C%20both%20on%20land%20and%20at%20sea - Ecosystems and their services | Biodiversity Information System for Europe: https://biodiversity.europa.eu/europesbiodiversity/ecosystems - Europarc: https://www.redeuroparc.org - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - FSC-NRA-ES V1-1 National Risk Assessment for Spain: https://fsc.org/en/documentcentre/documents/resource/168 - Cartography web visors: https://sig.mapama.gob.es/geoportal/ - Biodiversity Concept: https://www.ecologistasenaccion.org/6296/biodiversidadque-es-donde-seencuentra-y-por-que-es-importante/ - Protected Spaces Spain: https://www.miteco.gob.es/es/biodiversidad/temas/espaciosprotegidos/ - Nature Data Bank, Map of Protected Areas Spain: https://www.miteco.gob.es/es/biodiversidad/servicios/banco-datosnaturaleza/informaciondisponible/ENP_Descargas.aspx#prettyPhoto - GIS layers National Storages: https://www.miteco.gob.es/es/red-parquesnacionales/sig/ - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Current situation of the List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: [https://www.miteco.gob.es/es/biodiversidad/temas/conservacion-de-especies/especiesproteccion-

	especial/](https://www.miteco.gob.es/es/biodiversidad/temas/conservacion-de-especies/especiesproteccion-especial/) - Study on wood control procedures and risk assessment in each Autonomous Community for the application of the Due Diligence System: https://www.miteco.gob.es/es/biodiversidad/publicaciones/control_cortas_de_madera_espanya_2012_tcm30-152390.pdf - Downloads of Environmental Information: https://portalrediam.cica.es/descargas Galicia: - Protected Spaces: https://cmaot.xunta.gal/seccion tema/c/CMAOT_Conservacioncontent=Direccion_Xeral_Conservacion_Natureza/Espazos_protexidos/seccion.html&std=presentacion.html - Nature Conservation Viewer: https://mapas.xunta.es/visores/conservaciondanatureza/ - Galicia, forest exploitation viewer: https://mapas.xunta.gal/visores/aproveitamentos/ - Cartography of Galicia: https://www.sergas.es/Saude-publica/GIS-Cartografia-Galiciaformatovectorial-SHP?idioma=es Castilla y León: - NETWORK OF PROTECTED NATURAL AREAS (RANP) CyL: https://medioambiente.jcyl.es/web/es/medionatural/espacios-naturales.html - REN CyL map: https://datosabiertos.jcyl.es/web/jcyl/set/es/medio-ambiente/la-redespaciosnaturalescyl/1284687312196 - IDECYL REN CyL: https://idecyl.jcyl.es/geonetwork/srv/spa/catalog.search#/metadata/SPAGOBCYLMNADTSPSREN - CyL Natural Heritage: https://patrimonionatural.org **Risk designation:** Low risk: areas where forest management plan exists or FSC or PEFC certified areas. Specified risk: in areas where no forest management plan is available. In this indicator are considered all the relevant findings of the FSC Controlled Wood National Risk Assessment for Spain. **Mitigation measures:** - Check that harvesting operations are authorized by the Forest Service and that are not subject to environmental impact assessments - Best forest management practices during harvesting operations - Procedures for conduct field Inspections - Suppliers qualification - Monitoring plan.

(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: (a)* ***wetlands,*** *namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).*	
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:** Spain has signed the Ramsar Convention on Wetlands, a global treaty to protect wetlands which has paved the way for the development of targeted programs focused on their conservation, restoration, and sustainable management in order to protect them. Spain has a Strategic Plan for Wetlands 2030, which outlines the actions needed to address the factors driving loss and degradation. The general purpose of this Strategic Plan is to prevent, halt and reverse the loss and degradation of wetlands in Spain, helping to guarantee: (i) the maintenance of the habitats and species they support and their capacity to provide essential ecosystem services, (ii) to promote their recovery and (iii) to achieve their value and the recognition of the multiple benefits they provide. It is a roadmap that identifies the measures that must be implemented urgently to systematically and continuously address the factors of loss and degradation of wetlands in the country. Determines priorities and goals, and specifies actions and timetables to achieve them. It also responds to Spain's obligations as a member of the Ramsar Convention on Wetlands and the European Union (European Union Biodiversity Strategy for 2030), and is in line with the national strategic planning in the field of natural heritage, biodiversity, green infrastructure, ecological connectivity and restoration. **Means of verification:** - Existing legal framework: laws, regulations and control bodies - Online maps - Forest Management Plans - Lists of protected and threatened species - Priority Classified Habitat and species catalogue - Regional, publicly available data from a credible third party as FSC and PEFC reports - Manual of good practices - Records of field inspections - Desk assessment of the harvesting areas - Assessment at an operational level of measures designed to minimise impacts - Agreements/Contracts with suppliers (when applicable). **Evidence reviewed:** - Biodiversity strategy for 2030 – European Commission: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en - Ramsar Convention on Wetlands: https://www.ramsar.org/ - Spain

	Strategic Plan for Wetlands to 2030 -*Plan Estratégico de Humedales a 2030*: https://www.miteco.gob.es/content/dam/miteco/es/biodiversidad/planesy-estrategias/planestrategicodehumedalespublicacionoficial_tcm30-548431.pdf - Directive - 92/43 - EN - Habitats Directive - EUR-Lex: https://eurlex.europa.eu/eli/dir/1992/43/oj/eng - The Natura 2000 protected areas network — European Environment Agency: https://www.eea.europa.eu/themes/biodiversity/natura-2000#:%7E:text=Natura%202000%20is%20a%20network%20of%20protected%20areas,Member%20States%2C%20both%20on%20land%20and%20at%20sea - EU Grassland Watch: https://ec.europa.eu/eugrassland-watch/ - Ecosystems and their services | Biodiversity Information System for Europe: https://biodiversity.europa.eu/europesbiodiversity/ecosystems - Europarc: https://www.redeuroparc.org - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - FSC-NRA-ES V1-1 National Risk Assessment for Spain: https://fsc.org/en/documentcentre/documents/resource/168 - Cartography web visors: https://sig.mapama.gob.es/geoportal/ - Biodiversity Concept: https://www.ecologistasenaccion.org/6296/biodiversidadque-es-donde-seencuentra-y-por-que-es-importante/ - Protected Spaces Spain: https://www.miteco.gob.es/es/biodiversidad/temas/espaciosprotegidos/ - Nature Data Bank, Map of Protected Areas Spain: https://www.miteco.gob.es/es/biodiversidad/servicios/banco-datosnaturaleza/informaciondisponible/ENP_Descargas.aspx#prettyPhoto - GIS layers National Storages: https://www.miteco.gob.es/es/red-parquesnacionales/sig/ - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of

	Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Current situation of the List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.miteco.gob.es/es/biodiversidad/temas/conservacion-de-especies/especiesproteccion-especial/ - Study on wood control procedures and risk assessment in each Autonomous Community for the application of the Due Diligence System: https://www.miteco.gob.es/es/biodiversidad/publicaciones/control_cortas_de_madera_espanya_2012_tcm30-152390.pdf - Downloads of Environmental Information: https://portalrediam.cica.es/descargas Galicia: - Protected Spaces: https://cmaot.xunta.gal/seccion tema/c/CMAOT_Conservacioncontent=Direccion_Xeral_Conservacion_Natureza/Espazos_protexidos/seccion.html&std=presentacion.html - Nature Conservation Viewer: https://mapas.xunta.es/visores/conservaciondanatureza/ - Galicia, forest exploitation viewer: https://mapas.xunta.gal/visores/aproveitamentos/ - Cartography of Galicia: https://www.sergas.es/Saude-publica/GIS-Cartografia-Galiciaformatovectorial-SHP?idioma=es Castilla y León: - NETWORK OF PROTECTED NATURAL AREAS (RANP) CyL: https://medioambiente.jcyl.es/web/es/medionatural/espacios-naturales.html - REN CyL map: https://datosabiertos.jcyl.es/web/jcyl/set/es/medio-ambiente/la-redespaciosnaturalescyl/1284687312196 - IDECYL REN CyL: https://idecyl.jcyl.es/geonetwork/srv/spa/catalog.search#/metadata/SPAGOBCYLMNADTSPSREN - CyL Natural Heritage: https://patrimonionatural.orghttps://patrimonionatural.org/ **Risk designation:** Low risk: areas where forest management plan

	exists or FSC or PEFC certified areas. Specified risk: in areas where no forest management plan is available. In this indicator are considered all the relevant findings of the FSC Controlled Wood National Risk Assessment for Spain. **Mitigation measures:** - Check that harvesting operations are authorized by the Forest Service and that are not subject to environmental impact assessments - Best forest management practices during harvesting operations - Procedures for conduct field Inspections - Suppliers qualification - Monitoring plan.
(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was **peatland** in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.*	
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:** Areas occupied by peatlands in Spain are estimated to be around 350 km2, i.e., barely 0,07% of the national territory. The EU Habitats Directive and the Natura 2000 network of protected areas are vital for saving Europe's peatlands. 33 000 km2 of peatlands are already protected under this Directive across 8 700 Natura 2000 sites. Also, the European Commission's EU Biodiversity Strategy for 2030 calls for peatland restoration and their strict protection. **Means of verification:** - Existing legal framework: laws, regulations and control bodies - Online maps - Forest Management Plans - Lists of protected and threatened species - Priority Classified Habitat and species catalogue - Regional, publicly available data from a credible third party as FSC and PEFC reports - Manual of good practices - Records of field inspections - Desk assessment of the harvesting areas - Assessment at an operational level of measures designed to minimise impacts - Agreements/Contracts with suppliers (when applicable). **Evidence reviewed:** - Biodiversity strategy for 2030 – European Commission: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en - Ramsar Convention on Wetlands: https://www.ramsar.org/ - Spain Strategic Plan for Wetlands to 2030 -*Plan Estratégico de Humedales a 2030*: [https://www.miteco.gob.es/content/dam/miteco/es/biodiversidad/planesy-estrategias/planestrategicodehumedalespublicacionoficial_tcm30-548431.pdf](https://www.miteco.gob.es/content/dam/miteco/es/biodiversi

	dad/planesy-estrategias/planestrategicodehumedalespublicacionoficial_tcm30-548431.pdf) - Directive - 92/43 - EN - Habitats Directive - EUR-Lex: https://eurlex.europa.eu/eli/dir/1992/43/oj/eng - The Natura 2000 protected areas network — European Environment Agency: https://www.eea.europa.eu/themes/biodiversity/natura-2000#:%7E:text=Natura%202000%20is%20a%20network%20of%20protected%20areas,Member%20States%2C%20both%20on%20land%20and%20at%20sea - EU Grassland Watch: https://ec.europa.eu/eugrassland-watch/ - Ecosystems and their services | Biodiversity Information System for Europe: https://biodiversity.europa.eu/europesbiodiversity/ecosystems - Europarc: https://www.redeuroparc.org - Law 42/2007 on Natural Heritage and Biodiversity: http://www.boe.es/diario_boe/txt.php?id=BOE-A-2007-21490 - FSC-NRA-ES V1-1 National Risk Assessment for Spain: https://fsc.org/en/documentcentre/documents/resource/168 - Cartography web visors: https://sig.mapama.gob.es/geoportal/ - Biodiversity Concept: https://www.ecologistasenaccion.org/6296/biodiversidadque-es-donde-seencuentra-y-por-que-es-importante/ - Protected Spaces Spain: https://www.miteco.gob.es/es/biodiversidad/temas/espaciosprotegidos/ - Nature Data Bank, Map of Protected Areas Spain: https://www.miteco.gob.es/es/biodiversidad/servicios/banco-datosnaturaleza/informaciondisponible/ENP_Descargas.aspx#prettyPhoto - GIS layers National Storages: https://www.miteco.gob.es/es/red-parquesnacionales/sig/ - Royal Decree 139/2011 List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened Species: https://www.boe.es/buscar/pdf/2011/BOE-A-2011-3582-consolidado.pdf - Current situation of the List of Wild Species under Special Protection Regime and the Spanish Catalogue of Threatened

	Species: https://www.miteco.gob.es/es/biodiversidad/temas/conservacion-de-especies/especiesproteccion-especial/ - Study on wood control procedures and risk assessment in each Autonomous Community for the application of the Due Diligence System: https://www.miteco.gob.es/es/biodiversidad/publicaciones/control_cortas_de_madera_espanya_2012_tcm30-152390.pdf - Downloads of Environmental Information: https://portalrediam.cica.es/descargas Galicia: - Protected Spaces: https://cmaot.xunta.gal/seccion tema/c/CMAOT_Conservacioncontent=Direccion_Xeral_Conservacion_Natureza/Espazos_protexidos/seccion.html&std=presentacion.html - Nature Conservation Viewer: https://mapas.xunta.es/visores/conservaciondanatureza/ - Galicia, forest exploitation viewer: https://mapas.xunta.gal/visores/aproveitamentos/ - Cartography of Galicia: https://www.sergas.es/Saude-publica/GIS-Cartografia-Galiciaformatovectorial-SHP?idioma=es Castilla y León: - NETWORK OF PROTECTED NATURAL AREAS (RANP) CyL: https://medioambiente.jcyl.es/web/es/medionatural/espacios-naturales.html - REN CyL map: https://datosabiertos.jcyl.es/web/jcyl/set/es/medio-ambiente/la-redespaciosnaturalescyl/1284687312196 - IDECYL REN CyL: https://idecyl.jcyl.es/geonetwork/srv/spa/catalog.search#/metadata/SPAGOBCYLMNADTSPSREN - CyL Natural Heritage: https://patrimonionatural.orghttps://patrimonionatural.org/ **Risk designation:** Low risk: areas where forest management plan exists or FSC or PEFC certified areas. Specified risk: in areas where no forest management plan is available. In this indicator are considered all the relevant findings of the FSC Controlled Wood National Risk Assessment for Spain. **Mitigation measures:** - Check that harvesting operations are

	authorized by the Forest Service and that are not subject to environmental impact assessments - Best forest management practices during harvesting operations - Procedures for conduct field Inspections - Suppliers qualification - Monitoring plan.
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
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	*Not applicable, requirement only applies to Level A*

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 EU RED Level A risk assessment for Article 29(7) LULUCF_v1.4
Level B management system at the level of the forest sourcing area	N/A

Annex 2a: EU RED II Supply Base Evaluation

Annex 3: SBP Processing residues and/or Post-consumer feedstock requirements

☐ Not Applicable (Processing Residues and/or post-consumer feedstock not used)

Verification and monitoring of suppliers

Tec Pellets has documented its procedure for verification and monitoring processing residues feedstock suppliers. Verification of suppliers include record keeping procedures demonstrating that feedstock received complies with SBP definitions for processing residues, where is specified the name and address of the supplier, the type of supplier, the type of processing residues delivered, the level of control required (visual inspection upon receipt, supplier audits), and self-declaration that the feedstock qualifies as processing residue according to RED. Monitoring the compliance of suppliers include a contingency plan for non-compliant feedstock or documentation.

Feedstock inspection and classification upon receipt

Upon receipt, all processing residues feedstock is subject to visual inspection and is classified into processing residues accordingly. For all feedstock received, the respective documentary evidence that the feedstock complies with the SBP definition of processing residues is retained for inspection by the Certification Body, including invoices, delivery notes and transport documents.
In cases where adequate evidence for the classification of feedstock is not available at the point of receipt (e.g., it is impossible to verify whether wood chips belong to primary or processing residues feedstock category), Tec Pellets includes the supplier in its supplier audit verification program.
In cases where feedstock received does not comply with purchase specifications and/or the quantities stated on the invoices are incorrect, Tec Pellets takes immediate corrective actions, following its contingency plan for non-compliant feedstock or documentation. These actions are recorded and communicated to the CB during the annual audit.

Supplier audit for processing residues and post-consumer feedstock

Tec Pellets performs at least annually on-site audits of processing residues feedstock suppliers based on a justified sampling approach and where inspection and classification upon receipt was not sufficient. Tec Pellets evaluate and verify documents and other evidence regarding the quantity, quality and
compliance with SBP definitions of processing residues and post-consumer feedstock, including:
a) Supplier's instructions or procedures to control and classify the processing residues feedstock.
b) When applicable, training or instructions provided to the supplier's personnel in relation to classification and control of processing residues feedstock.
c) Registers establishing feedstock origin (e.g., photographs, invoices, etc.).
Supplier audits are documented and include records of audit date, findings, names and qualification of the auditor(s), and evidence of the feedstock classification.

Annex 4: EU RED detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no EU RED sustainability requirements apply, only the GHG savings criteria apply (SBP EU RED Bridging ID v2.0 Section 1.1). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).

Not Applicable (RED II TOF not included)

Annex 4a: RED II detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no REDII sustainability requirements apply, only the GHG savings criteria apply (SBP REDII Bridging ID Section 4.2). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).