Supply Base Report:

Connexion Export Ltda
Fourth Surveillance Audit

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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Table of contents

1 Overview

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company
2.2 Detailed description of the Supply Base
2.3 Feedstock information

3 Supply Base Risk Assessments and Risk Management Measures

3.1 Summary of the Supply Base Evaluation
3.2 Conflicts with applicable national and sub-national legislation
3.3 Risk Management Measures

4 Stakeholder engagement

4.1 General description
4.2 Response to stakeholder comments

5 Report updates and approval

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: EU RED Supply Base Evaluation

Annex 2a: EU RED II Supply Base Evaluation

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

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

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

1 Overview

Producer name:	Connexion Export Ltda
Producer address:	(ERG) – Estaleiro Rio Grande – Av. Maximiano da Fonseca, 4361 /Zona Industrial, 90020-150 Porto Alegre , Brazil
SBP Certificate Code:	SBP-04-77
Geographic position:	-30.028579, -51.226343
Primary contact:	Juliana Ferrari, +55 519 979 899 53, juliana@rdk.eco.br
Company website:	
Date report finalised:	23 May 2026
SBR reporting period from:	01 Aug 2025
SBR reporting period to:	30 Apr 2026
Name of the Certification Body:	SCS Global Services
Certification Body Approval date:	24 Sep 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)	Brazil (903,892)
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

Connexion Export, founded in 2002, is a pioneer and leader in the timber export market in Brazil, focusing on eucalyptus and pine logs and wood chips. The company stands out for its efficiency and logistics expertise, which covers everything from harvesting to port shipment, ensuring professional and competent operations in every detail.
Since its foundation in 2002, Connexion Export's main objective has been to provide customers with foreign trade services that meet their needs, seeking competitiveness in the domestic and international markets. With a highly qualified team and solid partnerships in its logistics chain, the company has carried out import and export operations in various market niches, offering personalised services.
Connexion Export gained prominence for being a pioneer in the export of loose logs to the Asian market, in partnership with the Chinese state-owned company China Forest Products. Starting in 2020, the company expanded its operations, beginning exports of logs to Portugal.
The export of eucalyptus and pine logs is a growing economic activity in southern Brazil, especially in Santa Catarina and Rio Grande do Sul. These logs are an essential raw material for the timber, pulp, construction and energy industries. The main destinations for Connexion Export's log exports are China, India and European countries, with operations carried out through the ports of Rio Grande, Imbituba and Itajaí. The company values respect throughout the production chain, from the care of its employees and the quality of its machinery to the dynamics of its operations and the social inclusion of shared value, making it a benchmark in the logging industry in the country.
Starting in 2022, Connexion Export entered the eucalyptus chip export market. The organisation sees an opportunity for new markets through the acquisition of logs unsuitable for other uses, using them to produce chips for export for biomass purposes. The primary inputs (logs) are purchased entirely from certified or controlled forest management units that are compatible with the SBP. The supply areas belong to other companies or small producers, who manage them on a long-term basis. The export of wood chips represents an important source of foreign exchange for the exporting country and contributes to the development of the forest production chain.
Connexion Export works with wood and wood chips, enabling it to reach the global market in a sustainable manner, with the best partners and procedures at every stage of the operation.
Connexion Export is attentive to every movement, creating long-term relationships with its customers and extending its actions with social, environmental and economic benefits to society and the environment. The company connects markets and people on a daily basis, bringing the world closer to the best it has to offer.

Products included in the scope of SBP Certification: *WB 2.1 Wood chips*

Number of employees: *0*

Annual maximum production capacity (metric tonnes): *300000*

Number of direct feedstock suppliers: *6*

Approximate number of feedstock sub-suppliers: *0*

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

In 2022, it began its energy production and export activities (biomass chips). Of the raw material targeted by the biomass project for energy generation, 100% comes from forests belonging to suppliers that are certified for forest management or controlled timber. Currently, the raw material consists of eucalyptus spp. species. However, the scope allows for the processing of pine.
Connexion Export has no interference in the management of forest areas that provide raw material for biomass chips (feedstock). The raw material is 100% gaúcha.

After harvesting (mechanized), the logs remain arranged in piles in the forest, until the product in logs is loaded (piles) and transported to the chipping yard, located in the city of Rio Grande, Rio Grande do Sul.
Upon arrival in Rio Grande, the logs are unloaded in a storage area together with the chipper (ERG – Processing Terminal). The project is in the testing phase, with storage, processing and shipment possibilities being evaluated.
Connexion Export has consolidated itself as a log trader in the export market. In the current project, he visualized the opportunity for new markets through the acquisition of logs not suitable for other uses as an object for the production of chip to be exported for the purpose of bioenergy.
The primary raw material inputs (logs) will be acquired in their entirety from forest management units already certified, compatible with the SBP. The supply areas belong to other companies, which manage these areas in the long term.
The target areas are located in the South regions of Brazil. They will have their availability and supply expanded according to the development of the project. Eucalyptus and pine species will be covered.
Connexion Export meets the requirements of the SBP standard, which can be identified in internal documents, procedures and standards.
Its director/CEO is responsible for strategic timber supply planning, prospecting new suppliers, authorising registrations, and ensuring that the yard is supplied with the quality and quantity necessary for export.

2.2 Detailed description of the Supply Base

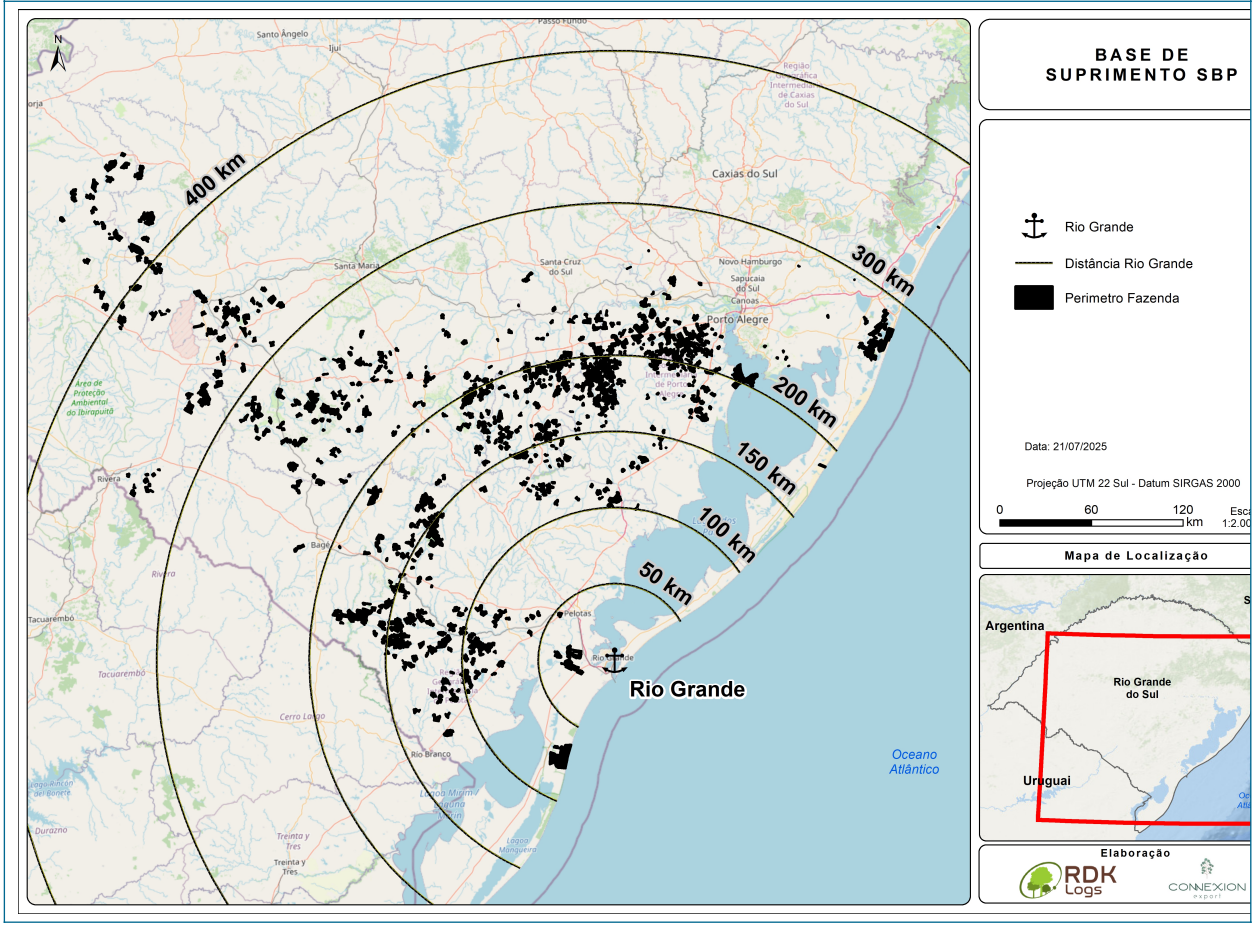
Guidance: Tables below have been generated automatically for each sourcing country based on the selection of 'Feedstock origin (countries)' in section 1 above.

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	Brazil
Area/Region	903,892
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?	Yes - Majority
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:	
For primary producers in Brazil, conducting a Supply Base Evaluation (SBE) was considered mandatory mainly due to the lack of a Regional Risk Assessment (RRA) endorsed by the SBP for Brazil. Absence of RRA for Brazil: Without a national RRA that assesses and declares the risks for all	

SBP 1 Standard indicators as low, Biomass Producers must conduct their own SBE for the primary raw material. Even if the primary raw material is certified by SBP-recognised schemes, such as FSC or PEFC, these do not fully meet all indicators of the SBP 1 Standard.	
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):	0.9030
Map(s) of the Supply Base area:	



2.3 Feedstock information

a. **Total volume of Feedstock:** 1-200,000 tonnes

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

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

Eucalyptus spp	Eucalyptus
Pinus spp	Pinus

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 (%)**: 0.00

f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 0.00

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:** Planted Forest

k. **Select the main harvesting system(s) used for the sourced primary feedstock:** Clearcutting; Thinning

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

m. **Volume of processing residues feedstock:** 0
Physical form of the feedstock: N/A

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

o. **Volume of post-consumer feedstock:** 0
Physical form of the feedstock: N/A

p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 100 %

q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 130000.00 tonnes

Explanation: Connexion has a variable supply base, which is negotiated according to commercial opportunities. Currently, the volume of biomass production demanded by the buyer is around 130,000 tonnes. This volume may be expanded according to demand and the availability of harvest areas that meet the criteria for sustainable biomass.

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

Connexion Export sources raw materials (eucalyptus and pine logs) from Forest Management Units (FMUs) in Rio Grande do Sul. The document does not specify sub-scopes, but includes an overlay map with the sourcing regions, delimiting the perimeter of the farms and the distances from the processing site. The raw material is classified as "primary" and comes from plantations managed by other companies or small producers. All raw materials are traceable to their origin and are 100% FSC-certified or considered FSC Controlled Wood.
Connexion Export conducts its own SBE for forestry raw materials, as FSC and PEFC certifications cannot be used as an automatic substitute for EU RED SBP compliance. The assessment, which focuses on REDIII requirements, considers the legality of operations, forest regeneration, the protection of designated areas, and the maintenance of soil quality and biodiversity. The risk assessment findings indicate that the supply risk is specified for some indicators and low for others. The report details the risk management measures (RMMs) implemented to ensure compliance. For each criterion assessed, the document lists the "Supply Base Verifiers" (SBVs), which include field verification, inventories, remote sensing, environmental permits, and external audits. The management system establishes a "Due Diligence System" for suppliers, which includes documentary and field verification for controlled materials. The effectiveness of these measures is monitored through annual internal audits. Connexion Export SBE is required to obtain the "SBP EU RED Compliant" (formerly "SBP REDII Compliant") declaration, as Brazil does not have a Regional Risk Assessment endorsed by the SBP. The risk assessment for EU RED is carried out through the document "EU RED Level B Risk Assessment of Sustainable Forest Biomass..." and is updated every five years or when there is a significant change in the supply base.

3.2 Conflicts with applicable national and sub-national legislation

Connexion Export's analysis does not indicate any conflicts between SBP standards and applicable legislation. The 'REDII Level B Risk Assessment' report indicates that the company implements a robust management system, complemented by a due diligence system, to ensure compliance with national and state laws and regulations. The company verifies management practices, conducts semi-annual consultations with certified suppliers, analyses protected sites and species, and consults with stakeholders to ensure compliance.
No legal conflicts were identified that would prevent the implementation of any aspect of the SBP standards. On the contrary, the documents show that Brazilian and Rio Grande do Sul legislation, such as the New Forest Code (Federal Law No. 12,651/2012), the Atlantic Forest Law (Federal Law No. 11,428/2006) and the State Environmental Code (State Ordinary Law, Norm: 15434/2020), reinforce the sustainability criteria required by the SBP.
Brazilian legislation, for example, prohibits the conversion of native vegetation in permanent preservation areas (APPs), areas of high biodiversity and peatlands, and requires forest restoration in cases of unauthorised removal after July 2008. In addition, the 2025 Pampa State Decree prohibits the planting of trees for commercial purposes in areas of low anthropisation. These measures are in line with the SBP requirements for the protection of areas of high conservation value. Connexion Export also demonstrates its commitment to labour rights, which is an important aspect of the SBP, following the conventions of the International Labour Organisation (ILO) and national laws. The company, in partnership with RDK Logs, uses the Due Diligence System and forest

management plans to verify ongoing compliance with 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: Brazil	
Area/sub-scope:	
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:	
The term "specified risk" refers to the harvesting of forests and their impacts on biodiversity and protected habitats. Although the country has a comprehensive legal framework—including the Forest Code, the National Environmental Policy, the National System of Conservation Units (SNUC), the Wildlife Protection Law, the Atlantic Forest Law, and specific regulations regulating sustainable forest management—the effectiveness of this legislation is limited by limited enforcement capacity, the occurrence of fraudulent management plans, systematic illegal deforestation, and the irregular exploitation of sensitive species and areas. Identified threats include damage to conservation units, overlapping forestry operations with archaeological heritage sites, exploitation of prohibited species, extraction above authorized limits, degradation of Permanent Preservation Areas (APPs) and Legal Reserves (RLs), as well as negative impacts on fragile ecosystems and endangered species. Poor oversight and the persistence of illegal activities reinforce the conclusion that the risk cannot be considered low. Therefore, timber harvesting in Brazil poses a high risk of generating adverse impacts on biodiversity and high conservation value habitats, justifying the requirement for rigorous control measures, such as geospatial cross-referencing with sensitive areas, proof of legal compliance (PMFS, POA, authorizations), field inspections, and the adoption of good management practices.	

Mitigation measure:
□ Use of official databases, satellite imagery, and environmental licenses, including conditions or restrictions that ensure there is no conflict with relevant nature protection objectives. □ Relevant compliance audits and inspections. □ Management limited to commercial plots, where native species are not targeted for logging. □ Mapping of overlapping restricted and prohibited areas, updated annually based on geographic information and available bibliography. □ GIS/shape maps of management areas overlaid with official databases (CNUC, IBAMA, MMA, Global Forest Watch). □ Geoprocessing reports demonstrating the absence of overlap or, in the event of overlap, proof of approval/conditions from the environmental agency. □ Public consultation of registries of embargoed areas (IBAMA and state agencies). APP and RL maps overlaid with CAR. □ Field reports on water body and riverbank conservation. □ Record of road and soil conservation practices. □ Official MMA lists (endangered flora, fauna, and fish). □ Forest inventory approved by the PMFS. □ Reports on harvested vs. authorized volumes.
Monitoring and outcomes:
not applicable

Country: Brazil	
Area/sub-scope:	
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:	
1.1.2 Legal ownership of land and resource use rights shall be respected.	
Description of the specific risk:	

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

Mitigation measure:

 The management contract or other agreements with the landowner must clearly indicate management rights.
 Rural Environmental Registry (CAR);
 Rural Property Registration Certificate (CCIR);
 Rural Property Debt Clearance Certificate (CNDIR);
 Environmental License, if applicable;
 Consult relevant reports, such as those from the Pastoral Land Commission (CPT) and others, to verify that controlled timber supply areas are not experiencing land disputes.
 Consult interested and/or affected parties to verify the absence of conflicts.
 Consult specialized maps/documents to identify potential sources of conflict, depending on the size of the project, such as the location of local communities, indigenous peoples, conservation units, traditional communities, etc.
 Proof of registration and registration status with the CPF/CNPJ (National Registry of Legal Entities). Copy of the Real Estate Registry registration or legal document proving ownership;
 Lease, forestry partnership, or loan-for-use agreements, with proof of ownership.
 Municipal Certificate (urban/rural area and forestry restrictions).
 Authorization from the Municipal Conservation Unit manager, where applicable.
 Current land use map (with SIRGAS2000 coordinates, PDF digital format, and shapefile) indicating: perimeter, plots, planted species, APPs, RL, outcrops, archaeological/historical sites, degraded areas, forestry infrastructure, and access sketch.
 Land slope map, where applicable.
 Authorization and environmental information
 Authorization for removal of native vegetation, where applicable. Information on the occurrence of invasive shrubs and trees (according to SEMA Ordinance No. 79/2013, or its replacement standard).
 Invasive species control and eradication plan (including pine, according to SEMA Ordinance No. 10/2014).
 Invasive species control reports.

□ Environmental management programs and reports. □ Environmental Training Plan. □ Proof of completed training. □ Information Sheet with ART (implementation, management, harvesting, schedule, infrastructure). □ Forestry Project with ART (management, schedule, infrastructure, engineering works, impact mitigation). □ Reports on forestry activities performed. □ PRADA (Project for the Restoration of Degraded and Altered Areas) with ART, when there are APPs or degraded areas. □ PRADA report (execution). □ Fire prevention, control, and combat plan. □ Fire prevention and combat plan report. □ Environmental report (impacts, mitigation measures, and compensation) with ART. □ Specific studies and reports (depending on the region/NPU) □ Technical reports on the occurrence/distribution of fauna species (Hydrodynastes gigas, Austrolebias alexandri, Sporophila hypoxantha, Liolaemus arambarensis, Ctenomys minutus, Ctenomys flamarioni, Lepthoplosternum tordilho, Elachistocleis erythrogaster). □ Maps of fauna occurrence areas and corridors. □ Detailed studies on environmental feasibility in certain Natural Landscape Units (NPUs). □ Studies on the occurrence and distribution of plant species (Croton calyciglandulosos, Croton ramboi, Pavonia malmeana). □ External audit reports.
Monitoring and outcomes:
not applicable

Country: Brazil	
Area/sub-scope:	
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:	

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.
Description of the specific risk:
We can conclude that certain operations related to raw material procurement and biomass production are low-risk. Although tax evasion practices, such as sales without an invoice and issuing invoices with a lower volume or value than the actual value, are a known risk in Brazil, and the capacity of inspection agencies is considered insufficient to mitigate the existing risk, and tax evasion is a systematic problem in Brazil, this risk is reduced when dealing with planted forests. Furthermore, all invoices are issued directly to Connexion, with the timber shipped directly from the forest and must be accompanied by a printed tax document.
Mitigation measure:
□ Due Diligence System to verify compliance with applicable legislation, including payment of royalties for exploration and timber. □ Field inspections, inventories, remote sensing, and environmental licenses. □ Consultation of tax certificates of suppliers and service providers. □ Forest Purchase Contracts. □ Transportation Invoices.
Monitoring and outcomes:
not applicable

Country: Brazil	
Area/sub-scope:	
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:	

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

Therefore, the risk of raw materials originating from areas converted after January 2008 is a specified risk, since the standard establishes ineligibility as a general rule. Qualification for certification is only possible under exceptional conditions, strongly conditioned by remediation processes and proof of additional benefits.

Mitigation measure:

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

Monitoring and outcomes:

not applicable

Country: Brazil

Area/sub-scope:

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

□ Evidence of adjustments in adaptive management.
Monitoring and outcomes:
not applicable

Country: Brazil	
Area/sub-scope:	
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:	
Despite the existence of comprehensive legislation and management plans, the ANR classifies the risk as "determined" for the entire country, both for indicator 1.10 and HCV 4. This is due to the possibility of forestry practices not complying with environmental requirements, the occurrence of corruption, inefficient oversight, and the lack of continuous inspection. Furthermore, changes in legal requirements regarding minimum water source protection areas have resulted in widespread liabilities, demonstrating that non-compliance is frequent and systematic. Data and observations indicate that damage to natural forests occurs with some regularity, reinforcing the risk to soil and critical ecosystem services. The ANR recognizes the need to maintain or improve soil and water resource quality in the Supply Base, emphasizing the role of good management practices and soil conservation. However, due to the weakness of oversight, the systematic occurrence of illegalities and the inefficiency of monitoring, the risk that forest management practices cause damage to the soil is considered determined throughout the national territory.	
Mitigation measure:	
Field inspections to verify the use of appropriate equipment and techniques appropriate to the terrain and topographic conditions of the supply units. □ Monitoring vegetation cover in production and recovery areas, including APPs and RLs. □ Inspection of the use of plant residues and the absence of burning or fire.	

□ Verification of the forest management plan or project, including soil conservation techniques. □ Soil fertility control through periodic analyses of physical, chemical, and biological parameters.
Monitoring and outcomes:
not applicable

Country: Brazil	
Area/sub-scope:	
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:	
4.1.2 Forced or compulsory labour shall not be used.	
Description of the specific risk:	
At the national level, the Brazilian Penal Code (Decree-Law No. 2,848/1940, Section 149) defines labor analogous to slavery and its characteristic elements, including degrading conditions, exhausting work hours, debt bondage, and physical or psychological coercion. Complementary labor legislation also provides standards on safety, compensation, and freedom of contract, but it has gaps that require certified organizations to adopt proactive control measures in line with FSC principles. There is evidence to support the risk of violation of these rights in Brazil, making it a specific risk.	
Mitigation measure:	
□ Declaration of Commitments and Conduct. □ Policies available via email. □ Conduct periodic inspections of all controlled or certified timber supply units, at least once during the supply period. □ Submit debt certificates and consult the supply unit's violation notices (MTE). □ Conduct periodic internal and external audits on forced labor practices and working conditions. □ Document recruitment, hiring, and personnel management processes, ensuring workers' voluntary consent.	

□ Internal policies and communications prohibiting forced labor. □ Records of hiring, wage payments, and working conditions. □ Debt certificates and violation notices. □ Internal HR procedures and collective agreements. □ Documented complaints and communication channels, such as email and the "Contato Seguro" website. □ Declaration of Commitments and Conduct.
Monitoring and outcomes:
not applicable

Country: Brazil	
Area/sub-scope:	
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:	
4.1.4 Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.	
Description of the specific risk:	
In the legal sphere, the 1988 Federal Constitution prohibits differences in wages, functions, and hiring criteria based on sex, age, race, or marital status, in addition to punishing discriminatory practices that violate fundamental rights and freedoms, including racism. The Consolidation of Labor Laws (CLT) also prohibits discrimination based on sex, nationality, or age for work of equal value. There are also specific laws, such as Law No. 9.029/95, which prohibits discriminatory practices against women, and others that guarantee rights for workers with disabilities. However, the practical application of these laws is considered insufficient, and enforcement is weak, resulting in frequent and systemic violations. Even with solid legislation, the risk of discriminatory practices in Brazil remains high. Research indicates that the gender pay gap is around 17%, and that Black, Indigenous, and mixed-race women are concentrated in lower-quality and lower-paying jobs, making them the most affected by inequalities. Labor inspection reports also point to persistent cases of discrimination and harassment, highlighting the need for oversight, awareness, and effective enforcement of existing legislation. Therefore, it is classified as a	

"specified risk."
Mitigation measure:
□ Adopt a formal equality and non-discrimination policy applied to all stages of the employment relationship (hiring, compensation, promotion, training, termination, and retirement). □ Use objective and transparent criteria for recruitment, selection, performance evaluation, and promotion. □ Ensure equal pay for roles of equal value, in accordance with the Consolidation of Labor Laws (CLT) and ILO conventions. □ Implement diversity and inclusion programs, with actions focused on gender, race, ethnicity, age, and people with disabilities. □ Offer periodic training on moral harassment, sexual harassment, and discriminatory practices. □ Establish secure and confidential reporting channels for cases of discrimination or harassment. □ Conduct internal audits and periodic analyses to identify disparities in pay, access to positions, and training. □ Promote inclusive communication in job postings and institutional materials. □ Ensure physical and digital accessibility for workers with disabilities. □ Make a public commitment to respect ILO conventions and national legislation. □ Payroll and salary records, demonstrating equal pay for workers in equivalent roles. □ Evidence of communication of the policy to all workers (bulletins, circulars, meetings, training). □ Reports on the operation of the whistleblowing channel, including statistics on reported and resolved cases. □ Declaration of Commitments and Conduct. □ Policies available by email.
Monitoring and outcomes:
not applicable

Country: Brazil	
Area/sub-scope:	
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:

4.1.5 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

Description of the specific risk:

Although Brazilian legislation, centered on the Consolidation of Labor Laws (CLT – Decree-Law No. 5,452/1943), guarantees rights such as minimum wage, limited working hours, rest periods, paid vacations, and maternity leave, the standard classifies this indicator as a determined risk at the national level. This classification stems from insufficient inspections by the Ministry of Labor and Employment to ensure compliance with the law, especially in the rural sector, as well as frequent reports of slave-like conditions and other labor rights violations in the forestry sector, a situation corroborated by the World Bank's "Rule of Law" index. Given the high probability of non-compliance with these rights, the standard adopts the precautionary principle, requiring organizations to conduct field checks to confirm that all workers are employed in accordance with the law, that contracts and payment of taxes are properly recorded, that minimum wages are being paid in accordance with the professional category, that the legal minimum age is respected, and that no child labor or forced labor practices occur in timber harvesting and transportation activities. Thus, although clear legislation exists, the standard identifies a real risk of non-compliance, requiring active monitoring to ensure that wages paid to workers are compatible with the law and labor rights.
While the legislation establishes sufficient protection, its practical application is inconsistent, especially in the forestry sector, requiring additional control and verification measures by organizations, and becoming a "specified risk."

Mitigation measure:

 Collective bargaining agreement.
 Provider pay stubs.
 Documentary evidence: payslips, receipts, bank statements, employment contracts, benefit records, and adjustments.
 Comparison with legislation and sectoral minimum wages: verify that wages paid meet or exceed the legal minimum wage, minimum wages, and defined living wages.
 Audit records: internal and external reports on wage compliance.
 Engagement records: minutes of meetings with workers or unions regarding wages and benefits.
 Timely payment records: evidence of payments made on the correct dates, without delays.
 Pay equity verification: analysis of the salary schedule for equal roles, identifying potential unjustified differences.
 Complaint and corrective action records: complaint reports, investigations, and measures taken. Proof of payment of social security contributions (FGTS, INSS).
 Identification documents proving the minimum age of workers.
 Field inspection reports, worker interviews, and direct observations attesting to the absence of child labor or slavery.
 Internal or external audits confirming the effective implementation of control measures.

Monitoring and outcomes:

not applicable

Country: Brazil	
Area/sub-scope:	
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:	
4.1.6 Working hours shall comply with legal requirements.	
Description of the specific risk:	
Despite the existence of this legislation, the indicator is classified as a specific risk nationwide, given that inspections by the Ministry of Labor and Employment (MTE) are insufficient to ensure compliance with the law, especially in the forestry sector. Data from the Labor Inspection Secretariat recorded 552 notifications over the last three years related to working hours in agricultural, forestry, and fishing activities, highlighting frequent and systematic violations. Applying the precautionary principle, the standard requires mandatory control measures, such as on-site inspections to ensure that all workers are employed in accordance with the law and that contracts and workday records are available. Furthermore, recent amendments to the Consolidation of Labor Laws (CLT), by Law No. 13,467/2017, relaxed some legal obligations, reinforcing the need for continuous monitoring. In short, although clear legislation on working hours exists, the risk of non-compliance is high, making on-site inspections essential to ensure that working hours comply with legal requirements. Therefore, this risk is classified as specified.	
Mitigation measure:	
□ Pay slips. □ Time cards. □ Formal monitoring of work hours, including daily records of hours worked and overtime. □ Internal policy on compliance with mandatory breaks and rest periods. □ Supervisor and employee training on applicable labor laws. □ Periodic internal and external audits to verify compliance with the Consolidation of Labor Laws (CLT) and FSC requirements. □ Timesheets or systems for tracking time and overtime reports. □ Documentation of breaks and rest periods granted, including compensatory time off and time banked. □ Records of night shift and overtime pay. □ Internal and external audit reports attesting to compliance with legal and FSC requirements.	

Monitoring and outcomes:
not applicable

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

□ Education programs and disease prevention campaigns; □ Documented procedures for compensation for illnesses and accidents; □ Periodic engagement with workers and unions regarding benefits and compensation; □ Internal and external audits to verify legal compliance and compliance with the FSC standard. □ Records of periodic medical examinations; □ Health plan contracts and employee coverage records; □ Reports of health and prevention campaigns; □ Records of complaints, claims, and compensation paid; □ Evidence of meetings and consultations with workers and unions; □ Records of occupational medical examinations and health programs implemented. □ Health plan contracts and proof of employee membership. □ Documentation of absences and benefits paid (sick pay, retirement, survivor's pension, accident benefit). □ Reports of workplace accidents and occupational diseases, with evidence of investigation and compensation. □ Evidence of communication regarding health campaigns and training on labor rights. □ Records of mandatory reporting to the INSS (National Institute of Social Security) and the Ministry of Labor. □ Results of internal/external audits and inspections.
Monitoring and outcomes:
not applicable

Country: Brazil	
Area/sub-scope:	
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:	
4.2.3 Food, water supply or high conservation values (HCV) that are essential for the fulfilment of basic needs of communities shall be maintained or enhanced	

Description of the specific risk:
Brazilian legislation, both at the federal and state levels, provides a regulatory framework for meeting the indicator, which requires maintaining or improving the supply of food, water, or High Conservation Value Attributes (HCVs) essential for the basic needs of communities, as well as avoiding violations of traditional and human rights. However, the practical application of these laws faces significant challenges, resulting in a "specified risk" to compliance in several social and rights-related areas.
Mitigation measure:
□ Analysis of the Rights of Indigenous Peoples and Traditional Communities. □ Signed FPIC documents and records of meetings with communities. □ Updated maps and registries of Indigenous and Quilombola lands and areas of influence. □ Internal or external audit reports on compliance with human and cultural rights. □ Records of training conducted and frequency of team participation. □ Protocols and opinions from IBAMA, FUNAI, FCP, or IPHAN related to licensing. □ Assessment of socioeconomic and environmental impacts prior to the start of activities. □ Specific impact mitigation plans for affected communities. □ Establishment of communication channels for registering complaints and compensation requests. □ Implementation of fair compensation mechanisms, proportional to the identified impact. □ Approved environmental and social impact assessments (EIA/RIMA). □ Monitoring and monitoring reports on impacts and mitigation measures. □ Records of response to complaints, claims, or compensation requests. □ Evidence of corrective actions implemented when necessary. □ Consultations to verify supplier compliance. □ Identification and mapping of HCVs essential for local communities. □ Definition of protection zones within the forest management area. □ Continuous monitoring of resource use in HCVs and impacts on livelihoods. □ Promotion of community engagement in HCV management. □ Georeferenced HCV maps and monitoring records. □ Internal inspection reports on the conservation status and use of HCVs. □ Meeting minutes and records of engagement with local communities. □ Evidence of corrective actions when the use or conservation of HCVs is compromised. □ Monitoring the quality and quantity of water resources available to communities. □ Restricting activities that may compromise the availability of water or food. □ Ensuring access to natural resources for basic consumption and food security. □ Controlling the sustainable use of productive areas and non-timber forest resources (NTFPs).
Monitoring and outcomes:
not applicable

Country: Brazil	
Area/sub-scope:	
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:	
4.2.4 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.	
Description of the specific risk:	
Although Brazilian legislation is comprehensive, its effectiveness is compromised by enforcement failures, corruption, insufficient oversight, and systematic violence against communities, classifying most indicators related to these rights as "specific risk." Thus, it appears that, although Brazil has a robust set of regulations to ensure the protection of Indigenous Peoples and local communities, in practice, the effectiveness of these rights depends on implementation, oversight, and social engagement tools, in addition to the adoption of best practice standards such as those of the FSC. The central challenge lies not only in the existence of standards, but also in their concrete implementation, the effective recognition of the value of traditional knowledge, and the strengthening of the participation of these communities in decisions that affect their territories and ways of life.	
Mitigation measure:	
□ Analysis of the rights of Indigenous Peoples and Traditional Communities. □ Consultation with interested and/or affected parties. □ Field verification. □ Identification and mapping of Indigenous, Quilombola, and traditional community lands in the areas of operation. □ Consultation and obtaining Free, Prior, and Informed Consent (FPIC) before any intervention or management in traditional territories. □ Implementation of internal procedures to respect cultural heritage and human rights standards. □ Ongoing training of staff on traditional rights, FPIC, and applicable environmental/social legislation. □ Monitoring environmental licensing processes with community participation. □ Signed FPIC documents and records of meetings with communities. □ Updated maps and registries of Indigenous, Quilombola, and areas of influence lands. □ Internal or external audit reports on compliance with human and cultural rights. □ Records of training conducted and frequency of team participation. □ Protocols and opinions from IBAMA, FUNAI, FCP, or IPHAN related to licensing.	
Monitoring and outcomes:	
not applied	

Country: Brazil	
Area/sub-scope:	
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:	
4.2.7 Designated cultural heritage sites shall be preserved.	
Description of the specific risk:	
The risks remain high due to the wide distribution of cultural attributes, the difficulty of accurate identification in the field, and the frequent violations of the rights of traditional and indigenous peoples, reported by organizations such as CIMI, CPT, and Greenpeace. The main threats arise from overlapping forest management areas with cemeteries, archaeological sites, places of worship, and cultural landscapes, as well as restrictions on access to sacred areas. The set of current laws, conventions, and management instruments establishes a robust system for safeguarding cultural heritage in Brazil. The comprehensiveness of the standards, the requirement for technical evaluation in licensing processes, the participation of specialized agencies, and the recognition of the cultural and historical value of different assets and areas justify the "specified risk" classification for the non-preservation of designated cultural heritage sites.	
Mitigation measure:	
□ Overlay mapping according to the FSC National Risk Analysis guidelines. □ Consultation of databases such as the National Registry of Conservation Units (MMA) and IPHAN (Archaeological Heritage). □ Field verification. □ Georeferenced maps overlaid with layers of information from IPHAN, FUNAI, INCRA, UNESCO, and IBGE. □ Consultation reports with local, indigenous, and traditional communities, recording participants, topics discussed, and results. □ Minutes and records of social engagement meetings and annual consultations. □ Audit and field verification reports documenting the status of cultural heritage sites. □ Evidence of mitigation measures adopted when impact risks were identified (e.g., road alignment	

changes, exclusion of management areas, protective barriers). Records of training and development provided to teams and service providers on cultural heritage. Compare service areas with official databases (IBGE, FUNAI, INCRA, IPHAN, UNESCO) to identify possible overlaps or proximity (up to 10 km) with indigenous territories, quilombolas, traditional communities, archaeological sites, and cultural heritage sites. Management plans containing specific strategies for the protection and conservation of sites of cultural significance.
Monitoring and outcomes:
not applicable

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 27 Jul 2025

Biomass Producer's stakeholder engagement end date: 05 Sep 2025

Total number of stakeholders contacted: 190

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

Connexion Export contacted various categories of stakeholders to obtain feedback on its Supply Base Evaluation (SBE). The groups include: Universities, Public Agencies, Non-Governmental Organisations (NGOs), Associations and Trade Unions, Local Communities, Suppliers, Customers, and Outsourced Companies. The main method of communication used for the consultation was email, sent by Connexion Export. The consultation invited interested parties to respond to an online Google form to provide their comments. For complaints or general comments, the company maintains an email communication channel. The complaint procedure includes confirmation of receipt to the complainant within 10 calendar days and communication of substantiated complaints to the SBP within 30 days after the conclusion of the analysis. The company seeks feedback, with questions on the consultation form that address potential risks. The consultation requests comments on topics such as: Conflicts and illegality, Deforestation, Land conversion, Health and safety, Labour rights, Environmental and social impacts.

4.2 Response to stakeholder comments

5 Report updates and approval

This document is: New Supply Base Report (Assessments/reassessments)

Summary of changes: N/A

Name	Juliana Ferrari
Title	Report author
Date of report approval	23 May 2026

Annex 1: Detailed findings for Supply Base Evaluation indicators

Brazil 903,892	Indicator
1.1.1	Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
Supply Base Verifiers	□ The management contract or other agreements with the landowner must clearly indicate management rights. □ Rural Environmental Registry (CAR); □ Rural Property Registration Certificate (CCIR); □ Rural Property Debt Clearance Certificate (CNDIR); □ Environmental License, if applicable; □ Consult relevant reports, such as those from the Pastoral Land Commission (CPT) and others, to verify that controlled timber supply areas are not experiencing land disputes. □ Consult interested and/or affected parties to verify the absence of conflicts. □ Consult specialized maps/documents to identify potential sources of conflict, depending on the size of the project, such as the location of local communities, indigenous peoples, conservation units, traditional communities, etc. □ Proof of registration and registration status with the CPF/CNPJ (National Registry of Legal Entities). □ Copy of the Real Estate Registry registration or legal document proving ownership; □ Lease, forestry partnership, or loan-for-use agreements, with proof of ownership. □ Municipal Certificate (urban/rural area and forestry restrictions). □ Authorization from the Municipal Conservation Unit manager, where applicable. □ Current land use map (with SIRGAS2000 coordinates, PDF digital format, and shapefile) indicating: perimeter, plots, planted species, APPs, RL, outcrops, archaeological/historical sites, degraded areas, forestry infrastructure, and access sketch. □ Land slope map, where applicable. □ Authorization and environmental information □ Authorization for removal of native vegetation, where applicable. □ Information on the occurrence of invasive shrubs and trees (according to SEMA Ordinance No. 79/2013, or its replacement standard). □ Invasive species control and eradication plan (including pine, according to SEMA Ordinance No. 10/2014). □ Invasive species control reports. □ Environmental management programs and reports. □ Environmental Training Plan. □ Proof of completed training. □ Information Sheet with ART (implementation, management, harvesting, schedule, infrastructure). □ Forestry Project with ART (management, schedule, infrastructure,

	engineering works, impact mitigation). □ Reports on forestry activities performed. □ PRADA (Project for the Restoration of Degraded and Altered Areas) with ART, when there are APPs or degraded areas. □ PRADA report (execution). □ Fire prevention, control, and combat plan. □ Fire prevention and combat plan report. □ Environmental report (impacts, mitigation measures, and compensation) with ART. □ Specific studies and reports (depending on the region/NPU) □ Technical reports on the occurrence/distribution of fauna species (Hydrodynastes gigas, Austrolebias alexandri, Sporophila hypoxantha, Liolaemus arambarensis, Ctenomys minutus, Ctenomys flamarioni, Lepthoplosternum tordilho, Elachistocleis erythrogaster). □ Maps of fauna occurrence areas and corridors. □ Detailed studies on environmental feasibility in certain Natural Landscape Units (NPUs). □ Studies on the occurrence and distribution of plant species (Croton calyciglandulosos, Croton ramboi, Pavonia malmeana). □ Federal and State Legislation Report. □ Bill of Lading □ Transportation Invoices □ Verify the existence of sales documents listing the products and volumes. These documents can be used, for example,
Risk Rating justification	The economic exploitation of land is the right of its owner, and if there is interest in other options, the right can be transferred to a third party. However, there are legal methods that govern the issue of concession rights. Forest management concession rights occur in two forms in Brazil: if the forest is public, the concession is managed through public forest concession contracts, where the government grants the right to sustainable forest management to the company that presents the best financial and technical proposal (according to Article 35 of Decree No. 6,063/2007). If the land is private, the owner can assign the exploitation right to a third party through formal contracts (Article 92 of Law No. 4,504/1964). Some states have specific regulations governing the harvesting of commercial forest plantations. In the case of Rio Grande do Sul, a specific harvesting license is not required. In the state of Rio Grande do Sul, forest production areas classified as minimum size are exempt from environmental licensing, through the Forest Registry issued by the Secretariat of Agriculture, Livestock, Sustainable Production, and Irrigation. "Minimum size" refers to areas with up to 30 hectares of effective planting for species with high polluting potential (Pinus sp.), or up to 40 hectares for species with medium polluting potential (Eucalyptus sp., Acacia mearnsii De Wild). Rio Grande do Sul state regulations for forestry above the minimum size provide for simplified licensing via the Single License (LU). The licensing process covers the entire forest management cycle, from implementation, including stages such as soil preparation, pest control, road maintenance, to the production cycle (thinning, pruning, clear-cutting, and budbreak management). Harvesting permits are not a legal requirement at the national level. Only a

	few states require the submission of a harvesting plan, through a simple procedure, for authorization to be issued. However, in Rio Grande do Sul, harvesting is already covered by the license. CONSEMA Resolution No. 390/2018 regulates the environmental licensing of planted forestry in Rio Grande do Sul, establishing criteria based on the size of the enterprise (minimum, small, medium, large, and exceptional) and the polluting potential of the cultivated species (low, medium, or high). It stipulates that areas with native species are exempt from licensing, while minimum-sized enterprises only require registration with the environmental agency. Small and medium-sized enterprises require a Single License (simplified or ordinary), large-sized enterprises require a Preliminary License and Installation and Operation License with a Simplified Environmental Report, and exceptional-sized enterprises require an Environmental Impact Assessment (EIA/RIMA). The regulation also defines procedures for regularizing areas already established without a license, renewing and expanding projects, authorizing the removal of native vegetation, document requirements according to the size and type of process (detailed in the Sole Annex), and formal deactivation through a Termination Agreement, ensuring greater standardization and environmental control of forestry activities in the state. In the case of the sale and transportation of timber intended for export or industrialization for export, tax legislation provides for specific situations in which taxes may be suspended or waived. Within the scope of the Tax on Industrialized Products (IPI), Decree No. 7,212/2010 (RIPI), in its art. 43, item V, establishes the possibility of suspending the IPI on transactions in which timber is shipped to industrial establishments for the industrialization of products to be exported, avoiding taxation at intermediate stages of the production process. Regarding ICMS, Decree No. 37,699/1997 (RICMS/RS), in Book I, Title III, art. 11, § V, addresses the non-levy of the tax on export transactions and the provision of transportation services linked to timber exports, ensuring that exports abroad are not burdened by the state tax. Regarding social contributions, Law No. 10,637/2002 (PIS), in its art. 5, item III, and Law No. 10,833/2003 (COFINS), in its art. 6, item III, determine the non-levy of PIS and COFINS on export revenues. These provisions are detailed and regulated by Normative Instruction RFB No. 1,911/2019, which, in its art. 21, confirms the exclusion of contributions on revenues from the sale of timber destined abroad, also covering transportation carried out directly for the purpose of export. Thus, federal and state regulations converge to ensure that timber, when destined for direct export or industrialization for export, is exempt from IPI, ICMS, PIS, and COFINS taxes, strengthening the competitiveness of the Brazilian forestry sector in the international market. In the timber export process, all merchandise timber must be tax-related, meaning it must be formally registered and accompanied by documents proving its origin, legality, and destination. In Brazil, this is because the Federal Revenue Service requires each lot to have an Export Declaration (DE/DSI), linked to a tax document of origin, such as an invoice or bill of sale.

	To benefit from tax benefits, such as the suspension of IPI (Brazilian Institute of Industrial Property Tax) or exemption from ICMS (Brazilian Institute of Industrial Property Tax), PIS (Brazilian Institute of Industrial Property Tax), and COFINS (Cofins) taxes, the timber must be properly documented. Furthermore, environmental and legal origin certifications, such as CAR (Cargo of Lading), forestry licensing, and sustainable management certificates, guarantee the traceability and legality of the merchandise. Finally, shipping on ships requires the cargo to be registered on the Bill of Lading (B/L), which can only be issued based on tax and customs documents, ensuring that the exported timber meets all legal, tax, and logistical requirements. The Bill of Lading (B/L) is the document used in international maritime transport to prove receipt of goods by the carrier, formalize the transportation contract, and serve as a negotiable title deed for the cargo. In Brazil, its legal provisions are found primarily in the Commercial Code (Decree No. 2,044/1908, articles 724 to 740), which regulates maritime transportation contracts and establishes the issuance of the bill of lading as a legal instrument for the movement of goods. Furthermore, Brazilian customs regulations, through Normative Instruction RFB No. 1,600/2015 and its updates, establish that the B/L must be presented together with the Export Declaration (DE/DSI), serving as proof of physical shipment of the goods. This requirement ensures tax compliance and allows for the benefit of tax benefits applicable to exports. The Bill of Lading (B/L) is also subject to international regulations, such as the 1924 Brussels Convention and its amendments, which govern maritime transportation and ensure that the document is recognized as legal proof of the contract of carriage and ownership of the goods internationally. Thus, the Bill of Lading (B/L) is an integral part of the Brazilian legal and customs system and is essential for the regular export of any product, including timber. The invoice (commercial invoice) and the certificate of origin are essential documents in the export process, as they guarantee the legality, traceability, and compliance of the goods with tax and commercial regulations. The invoice details the commercial transaction, indicating the exporter, importer, description of the goods, quantity, value, payment terms, and transportation. It serves as the basis for customs clearance and verification by the Federal Revenue Service, as required by Normative Instruction RFB No. 1.600/2015. The certificate of origin verifies the country of manufacture or extraction of the goods and is required for the application of trade agreements, differentiated tariff regimes, and verification of the legality of the goods, especially for exports of products such as timber, which also require environmental and sustainable management certification. Together, these documents ensure that the exported goods meet all legal, tax, and commercial requirements in Brazil and the destination country. Adequate occupational health and safety conditions are requirements set forth in the Regulatory Standards (NR) of the Ministry of Labor and Employment (MTE). There are 36 NRs in force in total, all established by MTE Ordinance No. 3,214 of 1978. NR 31 addresses Occupational Health and Safety in Agriculture, Livestock, Forestry, Logging, and Aquaculture,

	addressing specific working conditions in forestry activities. Issues related to pesticides, the environment and waste, hand tools, safety of agricultural machinery and implements, worker transportation and accommodation, cargo transportation, and rural buildings are addressed. MTE Ordinance No. 3,158 of 1971 establishes the mandatory labor inspection book, a standardized document to be maintained by all companies, through which the labor auditor keeps records of verified records. The MTE, through the Department of Labor Inspection, provides an online system for issuing a Certificate of No Labor Debts (CNDT) (Ordinance No. 1,421/2014), which allows interested parties to issue and authenticate certificates regarding the existence of labor lawsuits against a specific legal entity. Forestry activities are classified, according to the National Classification of Economic Activities (CNAE), as set out in Regulatory Standard No. 4 of the SESMT (Specialized Services in Safety Engineering and Occupational Medicine), as risk level 3 for plantations and 4 for native forests. The Risk Level is a numerical value ranging from 1 to 4, referring to the intensity of the risk of the economic activity. The main risk of a company (4 is the highest risk). Brazil has a comprehensive legal framework regarding the legality of employment. Decree-Law No. 5,452/1943 (Consolidation of Labor Laws – CLT) contains the main guidelines on this subject. Article 41 stipulates that all workers must be registered by their employer. Other worker rights are also covered, such as maximum permitted working hours, rest periods, paid vacations, minimum wage, maternity leave, and other guarantees, in addition to the sanctions applicable to employers who violate the stipulated standards. Other sections contain rules related to working hours, paid rest, child labor, women's labor, compensation, unionization, and other matters. Regarding the minimum working age, the law stipulates that children under 16 are prohibited from working, except as apprentices aged 14 or older. Underage workers are prohibited from working in unhealthy conditions and working at night. Other labor rights are provided for in the following laws: Law No. 13,134/2015 (unemployment insurance); Law No. 8,036/1990 (Service Time Guarantee Fund – FGTS); Law No. 4,090/1962 (Christmas bonus); Law No. 605/1949 (paid weekly rest). Also noteworthy is Decree No. 3,048 of May 6, 1999, which regulates Social Security. Law No. 5,889 of June 8, 1973, establishes specific rules for rural work. Subcontracting is included in the Civil Code and is understood as the provision of services not subject to the Consolidation of Labor Laws (CLT). Subcontracting is understood by law as a legal form of contract, for a defined period and restricted to the contracting party's core activities. Law No. 13,467/2017 recently amended several provisions of the Consolidated Labor Laws (CLT), making various issues regarding the parties' obligations more flexible. The changes to the CLT came into effect at the end of 2017. Law No. 13,445/2017, which addresses immigration policy, aims to guarantee migrants free and equal access to work, providing for the issuance of visas in cases of previously established employment relationships.

	• Applicable regulations: □ Law No. 12,651/2012 – Forest Code □ Law No. 6,938/1981 – Establishes the National Environmental Policy, Article 10 □ Law No. 9,985/2000 – Establishes the National System of Nature Conservation Units (SNUC) □ Decree No. 4,340/2002, which regulated Law No. 9,985/2000 □ Law No. 12,651/2012 – Forest Code Chapter VII □ CONSEMA Resolution No. 390/2018 □ SEAPDR IN No. 1/2022 □ Decree No. 53,862/2017 □ JOINT ORDINANCE SEAPDR/SEMA/FEPAM No. 39, FEBRUARY 23, 2021 □ Decree No. 7,212/2010 (RIPI) □ Decree No. 37,699/1997 (RICMS/RS) □ Law No. 10,637/2002 (PIS) □ Law No. 10,833/2003 (COFINS) □ RFB Normative Instruction No. 1,911/2019 □ RFB Normative Instruction No. 1,600/2015 □ Commercial Code (Decree No. 2,044/1908, arts. 724 to 740) □ Decree No. 6,263/2007 – regulates Siscomex □ Law No. 9,605/1998 (Environmental Crimes Law) □ CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) □ Decree-Law No. 5,452 of 1943 (Consolidation of Labor Laws – CLT): This is the main labor law, covering employment registration, working hours, vacations, minimum wage, maternity leave, among other rights. □ Law No. 13,467 of 2017: The "Labor Reform" that amended several provisions of the CLT. □ Law No. 5,889 of 1973: Establishes standards for rural work. □ Law No. 13,134 of 2015: Law that addresses unemployment insurance. □ Law No. 8,036 of 1990: Provides for the Severance Indemnity Fund (FGTS). □ Law No. 4,090 of 1962: Law establishing the Christmas bonus (13th salary). □ Law No. 605 of 1949: Establishes weekly paid rest. □ Decree No. 3,048 of 1999: Regulates Social Security. □ Law No. 13,445 of 2017: Addresses immigration policy and immigrant access to work. • Risk designation: Connexion Export relies on RDK Logs consulting to stay up-to-date on federal and state legislation, focusing on environmental, labor, and health and safety aspects. The company also has a lawyer among its administrators. We can conclude that certain operations related to raw material procurement and biomass production are low risk because applicable laws and regulations are consistently adhered to, and in cases of violation, authorities take effective preventive action. The "low risk" conclusion for this indicator is based on the

	existence of clear legislation and, in a manner general, on the effectiveness of the inspection and control systems implemented by the relevant authorities
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
1.1.2	Legal ownership of land and resource use rights shall be respected.
Supply Base Verifiers	• Control Measures and Verifiers: □ The management contract or other agreements with the landowner must clearly indicate management rights. □ Rural Environmental Registry (CAR); □ Rural Property Registration Certificate (CCIR); □ Rural Property Debt Clearance Certificate (CNDIR); □ Environmental License, if applicable; □ Consult relevant reports, such as those from the Pastoral Land Commission (CPT) and others, to verify that controlled timber supply areas are not experiencing land disputes. □ Consult interested and/or affected parties to verify the absence of conflicts. □ Consult specialized maps/documents to identify possible sources of conflict, depending on the size of the project, such as the location of local communities, indigenous peoples, conservation units, traditional communities, etc. □ Proof of registration and registration status with the CPF/CNPJ (National Registry of Legal Entities). □ Copy of the Real Estate Registry or legal document proving ownership; □ Lease, forestry partnership, or loan-for-use agreements, with proof of ownership. □ Municipal Certificate (urban/rural area and forestry restrictions). □ □ Authorization from the Municipal Conservation Unit manager, where applicable. □ Current land use map (with SIRGAS2000 coordinates, PDF digital format, and shapefile) indicating: perimeter, plots, planted species, APPs, RL, outcrops, archaeological/historical sites, degraded areas, forestry infrastructure, and access sketch. □ Land slope map, where applicable. □ Authorization and environmental information □ Authorization for removal of native vegetation, where applicable. □ Information on the occurrence of invasive shrubs and trees (according to SEMA Ordinance No. 79/2013, or its replacement standard). □ Invasive species control and eradication plan (including pine, according to SEMA Ordinance No. 10/2014). □ Invasive species control reports. □ Environmental management programs and reports

	□ Environmental Training Plan. □ Proof of completed training. □ Information Sheet with ART (implementation, management, harvesting, schedule, infrastructure). □ Forestry Project with ART (management, schedule, infrastructure, engineering works, impact mitigation). □ Reports on forestry activities performed. □ PRADA (Restoration Project for Degraded and Altered Areas) with ART, when there are APPs or degraded areas. □ PRADA Report (execution). □ Fire prevention, control, and suppression plan. □ Fire prevention and suppression plan report. □ Environmental Report (impacts, mitigation, and compensation measures) with ART. □ Specific studies and reports (depending on the region/NPU) □ Technical reports on the occurrence/distribution of fauna species (Hydrodynastes gigas, Austrolebias alexandri, Sporophila hypoxantha, Liolaemus arambarensis, Ctenomys minutus, Ctenomys flamarioni, Lepthoplosternum tordilho, Elachistocleis erythrogaster). □ Maps of fauna occurrence areas and corridors. □ Detailed studies on environmental viability in specific Natural Landscape Units (NPUs). □ Studies on the occurrence and distribution of plant species (Croton calyciglandulosos, Croton ramboi, Pavonia malmeana). □ External audit reports.
Risk Rating justification	• Analysis of Regulations and Applicable Laws Brazilian legislation regulating land ownership and use is broad, complex, and interconnected, comprised of a set of rules that seek to ensure the legal security of property. The initial framework is the Land Statute (Law No. 4,504/1964), which defines acquisition mechanisms, regulates lease and partnership agreements, and serves as the basis for agrarian policy. This framework is reinforced by the 1988 Federal Constitution, which enshrines the social function of property and the State's duty to promote agrarian reform. The institutional framework was consolidated with the creation of INCRA (National Institute of Rural Development), by Law No. 1,110/1970, responsible for implementing national agrarian policy, and with the establishment of the National Rural Registry System (SNCR), established by Law No. 5,868/1972 and regulated by Decree No. 72,106/1973, which guarantees the identification and registration of rural properties. The legal security of property ownership, in turn, is ensured by the Public Records Law (Law No. 6,015/1973), which requires registration in the real estate registry as the only form of legal proof of ownership. Agrarian reform, one of the central pillars of land policy, was detailed by Law No. 8,629/1993, which regulates the constitutional provisions on expropriation and compensation to landowners. From an economic perspective, Law No. 9,393/1996, which instituted the Rural Property Tax (ITR), establishes mechanisms to encourage the

	productive use of land, as the tax rate varies according to the property's level of development. The Civil Code (Law No. 10,406/2002) also plays an important role by defining, in its Article 45, the bases for the legal status of companies and associations, which may also be considered owners of rural properties. Thus, Brazilian laws regulate the acquisition, regularization, taxation, and use of land, constituting a robust regulatory system. However, despite the comprehensiveness of the legislation, its practical application faces significant challenges. Enforcement is insufficient, and land disputes, both judicial and extrajudicial, are recurrent, often aggravated by overlapping property registrations. Studies such as INCRA's White Paper on Land Grabbing (2014), the annual reports "Conflicts in the Field" by the Pastoral Land Commission (CPT), and Greenpeace's "Bloodstained Wood" report demonstrate that land rights violations remain a structural problem in the country, especially in the Legal Amazon, where land grabbing and illegal logging are often associated with agrarian conflicts. The situation is exacerbated by the high perception of corruption in Brazil, as highlighted by international indices from Transparency International and the World Bank, which highlight the fragility of command and control systems. This context increases the risk of forest management operations carried out without licenses or with illicitly obtained authorizations, which particularly compromises the integrity of native forests. Given these weaknesses, international standards such as those established by the Forest Stewardship Council (FSC) become even more relevant. They require companies to maintain clarity regarding land tenure rights, respect the legal and customary rights of local communities and indigenous peoples, and adopt active engagement mechanisms that prevent conflicts and ensure fairer and more transparent territorial governance. Thus, respect for legal ownership and rights to use natural resources depends not only on compliance with national legislation but also on the incorporation of international practices that reinforce legitimacy and socio-environmental responsibility. • Applicable regulations: Decree No. 72,106/1973 – Regulation of the National Rural Registry System Law No. 1,110/1970 – Establishes INCRA Law No. 4,504/1964 – Land Statute Chapter I (Access to land); Chapter IV (Temporary Use or Possession of Land) Law No. 5,868/1972 – National Rural Registry System Law No. 6,015/1973 – Establishes Public Records Title V (Property Records) Law No. 8,629/1993 – Regulation of Agrarian Reform Provisions Law No. 9,393/1996 – Establishes the Rural Property Tax - ITR Law No. 10,406/2002 – Establishes the Civil Code Title II (Article 45) FSC-STD-BRA-01-2025: The FSC Forest Management Standard for Brazil, which addresses the protection of the Management Unit against unauthorized activities. FSC-NRA-BRA V1-0: The FSC National Risk Assessment for Brazil, which requires control measures to mitigate risks such as illegal logging. • Risk Designation

	All acquisitions of standing forests are formalized through contracts. In the case of third-party supplies, the sale is made through the issuance of an invoice. The Due Diligence system Connexion Export verifies compliance with legal obligations and the integrity of its business partners. We can conclude that certain operations related to raw material procurement and biomass production are low risk because applicable laws and regulations are consistently adhered to, and in cases of violation, preventive actions by authorities are effective. The conclusion is "specified risk" for this indicator. However, by adopting control measures and verifiers, the organization ensures low risk.
Risk Rating	Specified Risk

Brazil 903,892	**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	Timber purchase documents from suppliers. Documentation with the specified FSC declaration and the supplier's FSC Chain of Custody code. Verification of compliance with trade and customs laws Forest Purchase Contracts. Transportation Invoices. Invoice. Bill of Lading. Certificate of Origin.
Risk Rating justification	Connexion Export ensures that raw materials are legally harvested, sourced, and produced, in compliance with applicable trade and customs laws, including those related to the export of certified products. The company requires certified suppliers to provide documentation with the FSC declaration and the FSC Chain of Custody code, ensuring material traceability. • Analysis of Applicable Regulations and Laws The FSC Forest Management Standard for Plantations in Brazil emphasizes that all activities must respect Principle 1, which requires compliance with national laws and ratified international treaties and conventions, such as CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora). This means that organizations must demonstrate legal operating and harvesting rights, implement measures to prevent illegal activities, comply with transportation and trade regulations, and meet specific requirements related to endangered species. At the national level, legislation such as the Forest Code (Law No. 12,651/2012), Decree No. 38,355/1998, and the General Environmental Licensing Law (Law No. 15,190/2025) regulate the sustainable management, licensing, and control of timber origin, reinforced by mechanisms such as the Rural Environmental Registry (CAR) and the Forest Origin Document (DOF). Furthermore, fiscal and tax regulations – such as Complementary Law No. 87/1996 (ICMS), Law No.

	9,430/1996, and Decree No. 7,212/2010 (IPI) – ensure the regularity of trade. On the international stage, the FSC also links its criteria to legislation on timber legality, including the EUDR (European Union Timber Regulation, Regulation (EU)) and the US Lacey Act, which require due diligence systems and prohibit the import of illegally harvested timber. Although Brazilian legislation does not establish due diligence mechanisms along the European lines, the National Risk Assessment (FSC-NRA-BRA V1-0) recognizes certain risks related to land rights, logging licenses, tax evasion, transportation, and trade, especially in native forests, while for plantations, many of these risks are classified as low. Compliance with CITES in Brazil is guaranteed by instruments such as Decree No. 3,607/2000, MMA Ordinance No. 83/1996, and MMA Ordinance No. 443/2014, with IBAMA being responsible for issuing export licenses. Thus, the requirement that raw materials be legally harvested, supplied, and produced is supported by a An integrated database of national and international standards, covering land tenure and use rights, environmental licensing, traceability systems, taxation, labor standards, species protection, and foreign trade rules (SISCOMEX, customs regulations). By aligning its requirements with legislation such as CITES and EUTR, the FSC seeks to mitigate risks and strengthen the credibility of the chain of custody, even while recognizing weaknesses in law enforcement in Brazil. Forest legality results from a set of regulatory and control mechanisms that, while robust on paper, depend heavily on the effectiveness of oversight and the adoption of due diligence practices by companies and certification bodies to ensure the responsible trade of forest products. • Applicable regulations: Federal Constitution of 1988 Forest Code (Law No. 12,651/2012) General Environmental Licensing Law (Law No. 15,190/2025) IBAMA Normative Instruction No. 112/2006 Decree No. 7,212/2010 – IPI Regulation. Law No. 9,430/1996 – rules on income taxation and transfer pricing. Decree No. 3,000/1999 – Income Tax Regulation. Decree No. 6,759/2009 – Customs Regulation (inspection, control, and taxation in foreign trade). SECEX Ordinance No. 23/2011 – SISCOMEX operations (foreign trade). RFB Normative Instruction No. 1,312/2012 – import and export pricing. CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) – international treaty ratified by Brazil. Decree No. 3,607/2000 – regulates CITES in Brazil. MMA Ordinance No. 83/1996 – requirements for exporting CITES species. MMA Ordinance No. 443/2014 – list of endangered flora species. MMA Normative Instruction No. 6/2008 – CITES and CBD commitments. FSC-STD-BRA-01-2025 (Plantation Standard in Brazil) FSC-NRA-BRA V1-0 (National Risk Assessment for Brazil) • Risk Designation

	Connexion Export ensures, through purchasing documents, that the certified supplier accompanies all material with the specified documentation, including the FSC declaration and the supplier's Chain of Custody code. The invoice is a well-established instrument in Brazil, and sales without an invoice are not significant in the planted timber market. There are no restrictions on the export of exotic wood, and the DOF does not apply in this case. s. Customs activities are regulated and monitored by the Federal Revenue Service through the SISCOMEX system, which requires registration and compliance for export, minimizing the possibility of legal problems. We can conclude that certain operations related to the procurement of raw materials and biomass production are low-risk because applicable laws and regulations are consistently respected and, in cases of violation, the preventive measures by the authorities are efficient.
Risk Rating	Low Risk

Brazil 903,892	**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	□ Due Diligence System, to verify compliance with applicable legislation, including payment of harvesting and timber royalties. □ Field inspections, inventories, remote sensing, and environmental licenses. □ Consultation of tax certificates of suppliers and service providers. □ Forest Purchase Contracts. □ Transportation Invoices.
Risk Rating justification	• Analysis of Applicable Regulations and Laws In the timber export process, all merchandise must be tax-compliant, meaning they must be formally registered and accompanied by documents proving their origin, legality, and destination. In Brazil, this is because the Federal Revenue Service requires each shipment to have an Export Declaration (DE/DSI), linked to a tax document of origin, such as an invoice or bill of sale. To benefit from tax benefits, such as the suspension of IPI (Brazilian Institute of Industrial Property Tax) or the exemption from ICMS (Brazilian Institute of Industrial Property Tax), PIS (Brazilian Institute of Industrial Property Tax), and COFINS (Brazilian Institute of Finance and Development), the timber must be properly documented. Furthermore, environmental and legal origin certifications, such as CAR (Cargo Certificate), forestry licensing, and sustainable management certificates, guarantee the traceability and legality of the merchandise. Finally, shipping on ships requires the cargo to be registered on the Bill of Lading (B/L), which can only be issued based on tax and customs documents, ensuring that the exported timber meets all legal, tax, and logistical requirements. The Bill of Lading (B/L) is the document used in international maritime transportation to prove receipt of goods by the carrier, formalize the transportation contract, and serve as a negotiable title deed for the cargo.

	• Risk Designation Connexion Export implements a management and monitoring system to maintain compliance with SBP standards, including the legality of harvesting operations. We can conclude that certain operations related to raw material procurement and biomass production are low-risk. Although tax evasion practices, such as sales without an invoice and issuing invoices with a lower volume or value than the actual value, are a known risk in Brazil. The capacity of inspection agencies is considered insufficient to mitigate the existing risk, and tax evasion is a systematic problem in Brazil. This risk is reduced when dealing with planted forests. Furthermore, all invoices are issued directly to Connexion, with the timber being shipped directly from the forest and must be accompanied by a printed tax document.
Risk Rating	Specified Risk

Brazil 903,892	**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	□ Field inspections, inventories, □ Remote sensing images □ Environmental permits to demonstrate operational compliance. □ Licensing and oversight agencies, such as FEPAM in Rio Grande do Sul. □ Due Diligence System and Biomass Producer's commitment. □ Perimeter demarcation and geographic coordinates of the supply area. □ Contract □ Rural Environmental Registry (CAR), □ Rural Property Registration Certificate (CCIR) □ Full-text Certificate from the Real Estate Registry.
Risk Rating justification	Protecting the Supply Base from illegal activities such as logging, mining, and land grabbing is a complex challenge in Brazil. National legislation and certification standards, such as FSC-STD-BRA-01-2025 and the FSC National Risk Assessment (NRA), provide a robust framework for this protection. The FSC standard, in particular, goes beyond legal compliance and requires organizations to develop and implement proactive measures to protect their management areas. This approach, outlined in Criterion 1.4 of the standard, links area protection to legal land tenure and respect for the rights of Indigenous Peoples and local communities, recognizing that land grabbing and illegal resource extraction are often intertwined. The FSC National Risk Assessment (NRA) for Brazil complements this perspective by identifying the risk of illegal activities as "determined" for much of the country. To mitigate this risk, the ANR translates legal principles into practical control measures, such as verifying multiple ownership documents (CAR, ITR, CCIR), consulting land conflict reports, and conducting field inspections. Protection against illegal logging, for example, is not limited to the presentation of a Sustainable Forest Management Plan (PMFS) and a Forest Origin Document (DOF), but requires rigorous auditing of these

	documents and field confirmation that the logging is in accordance with the planned and licensed requirements. Similarly, although the ANR does not detail control measures for illegal mining, protection against this activity is implicitly guaranteed by measures to verify the legality of the land and compliance with environmental requirements. Brazilian law, by requiring licensing and imposing locational restrictions on mining, provides the legal basis, but deficient oversight and the vast territorial area make field inspection an indispensable step. The issue of land invasion and violation of tenure rights is intrinsically linked to the legality of management and is one of the most critical issues. Brazilian law, in theory, protects Indigenous lands, quilombola territories, and conservation units. However, the implementation of these laws faces ongoing challenges, including violence against traditional populations and a lack of adequate oversight. The FSC standard, by requiring Free, Prior, and Informed Consent (FPIC) for management on Indigenous lands and consultation with local communities, reinforces the importance of an ethical and socially responsible approach. Effective protection of the Supply Base, therefore, goes beyond simple documentary compliance and requires rigorous due diligence, continuous monitoring, and active collaboration with authorities and stakeholders. The greatest challenge is translating the theory of laws and certification standards into effective protection practices in the field. When eligible for a license, forestry enterprises have a condition of their environmental license that borrow materials extracted from areas located within the enterprise for the construction and/or maintenance of roads and firebreaks cannot be sold or transported outside the farm/enterprise, except with a license specifically for the mining activity. Furthermore, borrow material extraction areas cannot be located in areas designated for preservation or conservation, or in any remaining native vegetation. The risk of illegal activities in planted forests, such as pine and eucalyptus, presents a different dynamic than in native forests. Because they are not subject to the same deforestation and complex management restrictions, the most common risks are land invasion and timber theft. To mitigate these risks, protecting land tenure is paramount. The organization must have impeccable legal documentation proving ownership or possession of the area. Furthermore, property security is crucial, with the implementation of measures such as fencing, property boundary markings, and, in some cases, monitoring. Engaging with surrounding communities and creating communication channels to resolve potential conflicts also helps prevent invasions and other unauthorized activities. Therefore, even in planted forests, constant surveillance and robust management of property boundaries are essential to ensure the integrity of the supply base. • Applicable regulations: Law No. 11,428/2006: Atlantic Forest Law, which prohibits the removal of primary and secondary vegetation in an advanced stage of regeneration, except in specific cases. Law No. 12,651/2012: The Brazilian Forest Code, which establishes rules for Legal Reserves (RL) and Permanent Preservation Areas (APP).

	Law No. 9,605/1998: The Environmental Crimes Law, which provides criminal and administrative sanctions for conduct that cause damage to the environment. Law No. 3,924/1961: Law that protects archaeological and prehistoric monuments. Federal Law No. 15,190/2025: The General Environmental Licensing Law, which reinforces public participation and transparency of information in the licensing process. FSC-STD-BRA-01-2025: The FSC Forest Management Standard for Brazil, which addresses the protection of the Management Unit against unauthorized activities. FSC-NRA-BRA V1-0: The FSC National Risk Assessment for Brazil, which requires control measures to mitigate risks such as illegal logging. • Risk Designation Planted forests have a low risk of illegal logging because their origin is easily traceable and harvesting is carried out under stricter planning and control. However, land invasion, whether for illegal appropriation, misuse of the area, or even theft of already planted timber, remains a significant threat. Connexion Export is committed to prohibiting the marketing of illegally harvested timber.
Risk Rating	Low Risk

Brazil 903,892	**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	Analysis of Protected Sites, Species, and Conservation Areas. Consultations with interested and/or affected parties. Use of official databases, satellite imagery, and environmental permits for mapping.
Risk Rating justification	Connexion Export identifies key species, habitats, and High Conservation Value Areas (HCVs) through its Due Diligence System, verifying the identification and reporting mechanisms of those responsible for managing these areas. The company uses official databases, satellite imagery, and environmental permits to map and verify the existence of these areas. Connexion Export's commitment prohibits logging in forests where high conservation values are threatened by management activities.
Risk Rating	Low Risk

Brazil 903,892	**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	□ Use of official databases, satellite imagery, and environmental licenses, including conditions or restrictions that ensure there is no conflict with relevant nature protection objectives. □ Relevant compliance audits and inspections.

	□ Management limited to commercial plots, where native species are not targeted for logging purposes. □ Mapping of overlapping restricted and prohibited areas, updated annually based on geographic information and available bibliography.
Risk Rating justification	Law No. 6,938 of August 31, 1981, establishes the National Environmental Policy, aiming to improve environmental quality, increasing the quality of life and conditions for socioeconomic development. The law provides for the preservation of soil and water resources, the protection of ecosystems, the restoration of degraded areas, environmental monitoring, among others. Law No. 12,651 of May 25, 2012, the National Forest Code, defines areas to be protected on all rural properties, in the form of Permanent Preservation Areas (APP) and Legal Reserves (RL). APPs are areas to be protected on rural or urban properties, delimited around watercourses, natural lakes and lagoons, artificial reservoirs, springs, hillsides, sandbanks, mangroves, tablelands or plateaus, hilltops, high-altitude areas, and trails. RLs are defined as protected areas exclusively on rural properties, preserving native vegetation in a certain percentage of the property's total area. The demarcation of conservation units by the SNUC aims to protect biodiversity and its associated values. To demonstrate compliance, the company uses official databases, satellite imagery, and environmental licenses, ensuring there are no conflicts with nature protection objectives. For raw materials classified as Controlled Wood, the Organization maps the supply areas and compares their location with Priority Conservation Areas and Conservation Units (except APAs), using official data from ICMBio, FUNAI, MMA, and INCRA. Areas with Intact Forest Landscapes, Ramsar sites, and territories of indigenous or traditional communities and HCVs are excluded. These identified areas are automatically excluded from the Supply Base, ensuring that the primary raw material does not originate from locations with critical attributes. Additionally, field visits and stakeholder consultations are conducted whenever necessary, ensuring that forest management does not negatively impact critical ecosystem services, community needs, or cultural values. Furthermore, detailed records are kept of all assessments, exclusions, and consultations, and periodic monitoring ensures compliance is maintained over time. In the case of FSC Forest Management, organizations holding FSC Management Certification identify and record HCV attributes, including species diversity, ecosystems and mosaics, critical ecosystem services, community needs, and cultural values. Based on this assessment, management strategies are developed and implemented to prevent negative impacts on HCV attributes, including the prohibition of industrial activities in Intact Forest Landscapes and natural areas with high carbon stocks.
Risk Rating	Low Risk

Brazil	Indicator

903,892	
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	□ Use of official databases, satellite imagery, and environmental licenses, including conditions or restrictions that ensure there is no conflict with relevant nature protection objectives. □ Relevant compliance audits and inspections. □ Management limited to commercial plots, where native species are not targeted for logging. □ Mapping of overlapping restricted and prohibited areas, updated annually based on geographic information and available bibliography. □ GIS/shape maps of management areas overlaid with official databases (CNUC, IBAMA, MMA, Global Forest Watch). □ Geoprocessing reports demonstrating the absence of overlap or, in the event of overlap, proof of approval/conditions from the environmental agency. □ Public consultation of registries of embargoed areas (IBAMA and state agencies). APP and RL maps overlaid with CAR. □ Field reports on water body and riverbank conservation. □ Record of road and soil conservation practices. □ Official MMA lists (endangered flora, fauna, and fish). □ Forest inventory approved by the PMFS. □ Reports on harvested vs. authorized volumes.
Risk Rating justification	Law No. 6,938 of August 31, 1981, establishes the National Environmental Policy, aiming to improve environmental quality, increasing the quality of life and conditions for socioeconomic development. The law provides for the preservation of soil and water resources, the protection of ecosystems, the restoration of degraded areas, environmental monitoring, among others. Law No. 12,651 of May 25, 2012, the National Forest Code, defines areas to be protected on all rural properties, in the form of Permanent Preservation Areas (APP) and Legal Reserves (RL). APPs are areas to be protected on rural or urban properties, delimited around watercourses, natural lakes and lagoons, artificial reservoirs, springs, hillsides, sandbanks, mangroves, tablelands or plateaus, hilltops, high-altitude areas, and trails. RLs are defined as protected areas exclusively on rural properties, conserving native vegetation on a specific percentage of the property's total area. The demarcation of conservation units by the SNUC aims to protect biodiversity and its associated values. The FSC-STD-BRA-01-2025 Plantations PT standard comprehensively establishes that harvesting must be carried out in a manner that minimizes impacts on biodiversity and habitats, including protected plants and animals. This commitment is central to the FSC mission of promoting environmentally sound forest management. To meet this requirement, the Organization must adopt a structured process that involves identification, assessment, planning, implementation, and monitoring. As part of the identification and assessment, the Organization must map and

	characterize the environmental values and biodiversity existing in the Management Unit and its area of influence, including rare, endemic, and threatened species, as well as their habitats. This step requires the use of the best available information and the performance of environmental impact assessments to anticipate potential risks from management activities. Regarding species and habitat protection, the standard requires the adoption of measures commensurate with the scale and intensity of operations, such as the creation of conservation zones and protected areas, the maintenance of connectivity between habitats, and the implementation of direct actions necessary for the survival of species. It also requires the control of unauthorized activities, such as hunting, fishing, and gathering, and collaboration with local initiatives to ensure conservation. Maintaining biological diversity and habitat characteristics is another central axis. Forest management must preserve structural and functional elements of ecosystems, such as old trees, dead trees, natural clearings, nesting, breeding, and feeding sites, in addition to promoting the restoration of degraded areas. The standard also addresses High Conservation Values (HCVs), which include significant concentrations of biological diversity, large ecosystems, and intact forest landscapes. To this end, the Organization must develop and implement effective strategies to maintain or enhance these attributes, in dialogue with experts and stakeholders, always applying a preventive approach. If management activities that harm HCVs are identified, they must cease immediately, accompanied by restoration measures. With regard to harvesting and extraction, practices must preserve the environmental values and attributes of previously identified HCVs, optimizing the use of forest products and avoiding damage to natural remnants. Retention of forest residues in the soil is required to conserve nutrients and maintain ecological balance. Furthermore, supporting infrastructure—such as roads, bridges, and storage areas—must be planned and managed to prevent negative impacts on soils, water resources, rare species, habitats, and landscapes. Any damage must be mitigated or repaired in a timely manner, and, in larger-scale operations, detailed microplanning is mandatory. Finally, the standard requires that the management plan incorporate measures to conserve or restore priority species and habitats, landscape connectivity, and HCVs. Continuous monitoring of environmental impacts is essential to assess the effectiveness of implemented actions and guide adaptive management. If non-conformities are identified, the plan must be reviewed and adjusted to ensure continuous improvements in biodiversity protection. The FSC National Risk Assessment (NRA) for Brazil establishes that harvesting must be carried out in a way that minimizes impacts on biodiversity features and habitats, including protected plants and animals. This requirement is primarily addressed in controlled timber categories 1 (illegally harvested timber) and 3 (timber from forests with high conservation values – HCV). threatened by management activities). For most indicators linked to these categories, the risk is classified as "Determined Risk"

	nationwide, highlighting the need for mandatory control measures. In Category 1, indicators 1.8 (Regulations on timber harvesting in native forests), 1.9 (Protected sites and species), and 1.10 (Environmental requirements) stand out. Brazilian legislation is comprehensive and includes the Federal Constitution, the Forest Code, the National Environmental Policy, the National System of Conservation Units (SNUC), the Wildlife Protection Law, and the Atlantic Forest Law, as well as specific regulations such as MMA ordinances listing endangered species and technical regulations for sustainable management. However, the ANR emphasizes that the inspection system is insufficient, resulting in risks such as illegal deforestation, damage to conservation units, overlapping forestry operations with archaeological heritage, logging beyond authorized limits, and fraud in management plans. Mandatory control measures include document verification (PMFS, POA, AUTEX/AUTEF), geospatial cross-referencing with conservation units, buffer zones, and embargoed areas, as well as field inspections to confirm operational compliance and the adoption of best management practices, such as soil and water conservation, controlling the direction of tree felling, and preventing damage to archaeological sites. Category 3 focuses on indicators 3.1 (HCV 1 – species diversity), 3.2 (HCV 2 – ecosystems and landscape mosaics), and 3.3 (HCV 3 – ecosystems and habitats). All are classified as "Determined Risk," as Brazilian biodiversity is highly threatened by systematic deforestation, weak enforcement, and persistent impunity for environmental crimes. HCVs range from concentrations of endemic, rare, and endangered species to ecosystems such as mangroves, Caatinga, and Ramsar sites, as well as intact forest landscapes. Mandatory control measures include mapping sourcing areas in relation to Priority Conservation Areas, Conservation Units, and Ramsar sites, as well as demonstrating compliance with forest management plans for native forests and the adoption of good management practices for plantations. It is also recommended to use tools such as Global Forest Watch to check for overlaps with intact forest landscapes and conduct field visits to verify the effective implementation of mitigation measures. The FSC standard recognizes the high risks of negative impacts on biodiversity in Brazil, requiring organizations to have robust control mechanisms that combine documentary analysis, the use of geospatial data, and field verification. Only rigorous application of these measures can ensure that harvesting effectively minimizes impacts on protected species, sensitive ecosystems, and habitats of high conservation value. The term "specified risk" refers to the harvesting of forests and their impacts on biodiversity and protected habitats. Although the country has a comprehensive legal framework—including the Forest Code, the National Environmental Policy, the National System of Conservation Units (SNUC), the Wildlife Protection Law, the Atlantic Forest Law, and specific regulations regulating sustainable forest management—the effectiveness of this legislation is limited by limited enforcement capacity, the occurrence of fraudulent management plans, systematic illegal deforestation, and the irregular exploitation of sensitive species and areas.

	Identified threats include damage to conservation units, overlapping forestry operations with archaeological heritage sites, exploitation of prohibited species, extraction above authorized limits, degradation of Permanent Preservation Areas (APPs) and Legal Reserves (RLs), as well as negative impacts on fragile ecosystems and endangered species. Poor oversight and the persistence of illegal activities reinforce the conclusion that the risk cannot be considered low. Therefore, timber harvesting in Brazil poses a high risk of generating adverse impacts on biodiversity and high conservation value habitats, justifying the requirement for rigorous control measures, such as geospatial cross-referencing with sensitive areas, proof of legal compliance (PMFS, POA, authorizations), field inspections, and the adoption of good management practices.
Risk Rating	Specified Risk

Brazil 903,892	**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	□ Analysis of the New Forest Code (Law No. 12,651/2012) and the Atlantic Forest Law (Law No. 11,428/2006). □ Verification of operating licenses and authorizations from the competent state environmental agency. □ Map preparation and verification of satellite images. □ CAR: land use and land cover maps declared and analyzed in the system. □ Environmental licenses and authorizations issued by competent agencies (LP, LI, LO, suppression authorization). □ Official management or suppression authorization documents (forest authorization, liability statement, restoration plan). □ Historical satellite images showing vegetation cover before and after 2008. □ Technical reports from environmental agencies or accredited consulting firms. □ Field inspection reports with georeferenced photographic records. □ Records of the PRA or conduct adjustment terms (TAC) signed with environmental agencies. □ Public inspection databases (e.g., IBAMA embargo list, state infraction registries). □ HCV mapping prepared according to FSC methodologies. □ Certification or due diligence audit reports.
Risk Rating justification	Connexion Export's raw materials do not come from lands that, on or after January 2008, were converted from forests, wetlands, peatlands, or pastures with high biodiversity. The New Forest Code (Law No. 12.651/2012) prohibits new conversions of native vegetation to alternative land uses in rural areas consolidated after July 22, 2008.

	Brazilian legislation, supplemented by FSC certification standards, establishes timeframes and clear rules that restrict or prohibit the conversion of natural ecosystems to alternative land uses. The date of July 22, 2008, is central to the Forest Code (Law No. 12.651/2012), distinguishing consolidated rural areas from new conversions. For FSC certification, the period from December 1, 1994, to December 31, 2020, is used to assess the eligibility of plantations established in areas converted from natural forests. In the case of forests, the Atlantic Forest Law (Law No. 11,428/2006) prohibits the conversion of primary vegetation and restricts the removal of secondary vegetation in medium and advanced stages. Unauthorized removal of vegetation in Permanent Preservation Areas (APPs) and Legal Reserves (RLs) carried out after July 2008 is considered irregular, requiring restoration and blocking new authorizations. Furthermore, any harvesting of native forests requires a duly approved Sustainable Forest Management Plan. For certification purposes, timber or plantations resulting from irregular conversion are not eligible for Controlled Wood supply or FSC certification. Wetlands, in turn, include marshes, mangroves, salt marshes, springs, and periodically flooded areas, and are considered Permanent Preservation Areas. In these areas, intervention is only permitted in situations of public utility, social interest, or low environmental impact, subject to authorization from the competent environmental agency. Illegal occupations prior to July 22, 2008, may be analyzed for regularization purposes, but new conversions are prohibited. As for peatlands, although Brazilian legislation does not specifically mention them, the technical interpretation is that they fall under the concept of wetlands and are therefore subject to the same conservation restrictions applicable to marshes and mangroves. In the case of highly biodiverse fields, the legislation establishes that the removal of native vegetation for alternative land uses requires prior authorization and registration of the property in the Rural Environmental Registry (CAR). In the Pampa Biome, legislation differentiates between rural areas consolidated through conversion prior to July 22, 2008, and unconverted areas, which must be preserved. Only highly anthropized fields can be converted to other uses, while native and biodiverse fields must be maintained, integrating conservation areas and ecological corridors. According to the FSC, High Conservation Value Areas, which include highly biodiverse fields, cannot be converted to plantations or other uses. The FSC Forest Stewardship Standard for Plantations in Brazil (FSC-STD-BRA-01-2025) establishes strict requirements to ensure that raw materials do not come from lands that, in January 2008, were classified as forests, wetlands, peatlands, or highly biodiverse fields and have lost this status due to conversion. The standard recognizes forests as "natural forests," encompassing formations such as the Amazon, Cerrado, Pantanal, and other native Brazilian ecosystems that are not plantations. Wetlands and peatlands are expressly considered areas of high environmental value, comprising bodies of water, marshes, riverine systems, and springs, generally classified as High Conservation Value Areas (HCV). Highly biodiverse grasslands can be classified as natural forests or as HCV 1 and HCV 2 areas, when they

	present significant biological diversity or relevant ecological mosaics. Regarding land use conversions, the standard differentiates historical periods. For areas converted between December 1, 1994, and December 31, 2020, including the January 2008 milestone, Management Units containing plantations in these areas are not eligible for certification, except in exceptional circumstances. These exceptions include cases where the conversion affected a very limited portion of the total area (up to 5%), where the converted area generated clear, additional, and long-term social and conservation benefits, or where the organization involved can demonstrate restitution of social harm and proportionate remediation of environmental damage, in accordance with the FSC Remediation Framework guidelines. Exceptions are also permitted when the organization was not responsible for the conversion but subsequently acquired the Management Unit, provided it can demonstrate restitution of social harm priority measures and partial remediation of environmental damage, or in the case of small rural producers, are also taken. For conversions carried out after December 31, 2020, the rules become even more restrictive. Management Units containing conversions from this period do not qualify for certification unless the conversion affected a very limited portion of the total area, did not compromise high conservation value attributes, and was associated with the generation of clear, substantial, and lasting social and conservation benefits. The FSC's National Risk Assessment (NRA) for Brazil addresses the issue of land conversion under Category 4 of controlled timber, referring to timber from forests being converted to plantations or non-forestry uses. In this context, the indicator does not apply to forest plantations, since the timber from these areas is not considered to originate from deforestation, given that most of the species used are exotic and their production is linked to already established areas. Raw materials from forests, wetlands, peatlands, and highly biodiverse grasslands that lost this status due to conversion after 2008, either without authorization or in violation of legislation, should be considered of irregular origin or of determined risk. For FSC certification, such areas are not eligible for Controlled Wood or full certification, except for specific exceptions related to conservation or remediation of environmental and social damage. This classification stems from an analysis that, while acknowledging the existence of comprehensive legislation, such as the Forest Code (Law No. 12,651/2012) and the Atlantic Forest Law (Law No. 11,428/2006), identifies significant flaws in their application. These laws prohibit the conversion of primary and secondary native vegetation in advanced stages, except in the public interest, scientific research, or environmental compensation, but in practice, illegal conversion activities still occur frequently. Records of increased deforestation in biomes such as the Legal Amazon and the Atlantic Forest demonstrate that oversight mechanisms are insufficient given the territorial extent, scarcity of resources, and violence associated with illegal activities. Furthermore, although monitoring systems such as PRODES and SAD/IMAZON exist, these instruments still have limitations, especially in

	biomes other than the Amazon, and do not always distinguish between legal and illegal conversions. The lack of reliable information at a national level prevents adequate verification of compliance with the limits established by the FSC. Considering these factors, the precautionary principle is adopted, resulting in the classification of Determined Risk. Brazil, in fact, exceeds the thresholds established by the FSC, with an annual net loss of natural forests exceeding 5,000 hectares or 0.02% of forest cover. Regarding the different types of land mentioned, native forests are directly covered by the scope of the ANR and are designated as Determined Risk. Wetlands, although not explicitly mentioned in the indicator, appear protected in other areas of the assessment, such as High Conservation Value (HCV 1), referring to Ramsar sites, and HCV 4, related to critical ecosystem services. Peatlands, however, are not directly addressed but can be inferred in the context of protecting fragile ecosystems. Highly biodiverse grasslands, such as the Cerrado and rupestrian fields, are included in the treatment given to forests and native vegetation, and are also classified as Determined Risk due to their ecological significance, high levels of endemism, and vulnerability to conversion. The ANR establishes that raw material from native forests and biodiverse ecosystems converted after January 2008 should be considered at Determined Risk, reflecting systematic conversion, poor regulatory enforcement, and the significant annual net loss of natural cover. Forest plantations, however, are not considered a source of risk within this indicator, since their origin is not associated with the direct deforestation of native vegetation. The risk that the raw material comes from lands converted after January 2008 is considered high, as the standard treats these situations restrictively, making Management Units ineligible for certification except in exceptional cases. Therefore, the general rule is to exclude areas converted during this period, with certification only permitted when there is rigorous proof of remediation and additional benefits that justify the exception. Therefore, the risk that the raw material comes from areas converted after January 2008 is a specified risk, since the standard establishes ineligibility as a general rule. Qualification for certification is only possible under exceptional conditions optional, strongly conditioned on remediation processes and proof of additional benefits.
Risk Rating	Specified Risk

Brazil 903,892	**Indicator**
2.2.2	Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.
Supply Base Verifiers	□ Updated maps of APPs, RLs, and ecological corridors, showing protected areas and permitted interventions. □ Management plans with documented preventive measures. □ Records of environmental incidents and implemented corrective actions. □ Photographic evidence and restoration or mitigation reports.

	□ Maps of conservation and restoration areas. □ Documented environmental assessment reports. □ Thematic maps of ecosystems and habitats. □ Species inventories and biodiversity monitoring. □ Evidence from consultations of environmental databases and scientific literature. □ Native species inventories and population monitoring. □ Documented habitat restoration plans. □ Landscape mosaic and diversification implementation reports. □ Maps and inventories of rivers, streams, and riparian zones. □ Water quality and quantity monitoring. □ Evidence of riparian vegetation restoration and maintenance actions. □ Periodic ecosystem and service monitoring reports. □ Evidence of adjustments in adaptive management.
Risk Rating justification	Brazilian legislation and certification standards recognize the importance of maintaining and improving ecosystems, their health, vitality, functions, and services in the supply base, considering the protection of biodiversity, the sustainable use of natural resources, and environmental licensing. The Forest Code (Law No. 12,651/2012) establishes general standards aimed at the protection and sustainable use of forests and other forms of native vegetation, reconciling productive activity with the conservation of biodiversity, soil, water resources, and the integrity of the climate system. Complementarily, the State Environmental Code of Rio Grande do Sul (Law No. 15,434/2020) reinforces the right to an ecologically balanced environment, imposing duties on the State, municipalities, the community, and citizens to protect, preserve, and conserve ecosystems, ensuring the maintenance of essential ecological processes. The Convention on Biological Diversity (CBD) establishes that sustainable use must preserve biological diversity, maintaining its potential to meet the needs of present and future generations. Within the scope of environmental planning and management, instruments such as Forestry Environmental Zoning (ZAS) and Sustainable Forest Management Plans (PMFS) play a central role in ecosystem conservation. ZAS establish conservation guidelines, including the maintenance of ecological corridors and the integration of internal preserved areas with external natural environments. PMFS are mandatory for the exploitation of native forests and must include management techniques, reforestation, and environmental impact control, ensuring the maintenance of biodiversity, the protective functions of ecosystems, and sustainable production. Environmental licensing acts as a regulatory mechanism, ensuring that potentially degrading activities meet environmental protection and improvement criteria, considering ecosystems and the biological environment. The conservation and protection of ecosystems and species is directly related to the preservation of Permanent Preservation Areas (APP), Legal Reserves (RL), and Conservation Units (UCs), which ensure the protection of water resources, soil, biodiversity, gene flow of fauna and flora, landscape, and human well-being. Interventions in these areas must be accompanied by mitigating and compensatory ecological measures, preserving ecological

	corridors and environmental functions. Legislation also establishes restrictions on the logging and exploitation of rare, endemic, or endangered species, encouraging restoration plans and the inclusion of specific habitats in forestry projects. Wetlands must be identified and protected, ensuring the maintenance of fragile ecosystems, and there is a legal obligation to restore degraded APPs and RLs, promoting ecosystem restoration and the reintroduction of endangered species. In addition to protecting biodiversity, the maintenance of ecosystem functions and services is required by certification standards, such as the FSC, which determines the conservation or restoration of environmental services, the protection of rare and endangered species, the preservation of representative samples of native ecosystems, and the maintenance of connectivity between habitats. Forestry activities must protect water resources and soil, preventing, mitigating, or repairing impacts on species, habitats, and ecosystems. Proper management also includes controlling atmospheric emissions, preserving air quality, and minimizing risks to human health and the environment. The Brazilian legal framework, complemented by certification standards such as the FSC, establishes clear requirements for the maintenance, improvement, conservation, and restoration of ecosystems, ensuring their health, vitality, functions, and services. These standards range from constitutional principles to detailed regulations on the management of natural resources, protection of biodiversity, soil, water, and environmental quality as a whole, creating a solid foundation for the sustainability of the supply base. The FSC National Risk Assessment (NRA) for Brazil addresses the maintenance or improvement of ecosystems, their health, vitality, functions, and services in the supply base under Controlled Wood Category 3, which covers timber from forests where high conservation values are threatened by management activities. The relevant indicator is 3.4 – HCV 4, referring to Critical Ecosystem Services. This indicator encompasses essential environmental services in critical situations, such as water source protection and erosion control on vulnerable soils and slopes, and is linked to various locally influential environmental factors. According to the Millennium Ecosystem Assessment (2005), ecosystem services provide direct benefits to people, including provisioning services (food, forest products, and water), regulatory services (flood control, drought, soil degradation, air quality, climate, and disease), and supporting services (soil formation and nutrient cycling). These services can be associated with Conservation Units (CUs), which must be protected due to their unique characteristics. Identifying and assessing threats to HCV 4 presents significant challenges. Environmental sensitivity analysis requires cross-referencing geomorphological, pedological, climatic, hydrological, and land use and occupation information, which, at the national level, is scarce or unavailable from official sources. Correlating management activities with potential threats to critical ecosystem services, such as reduced water quality or quantity, is complex, and it is not possible to precisely determine where and how such threats occur. Experts point out that these threats are widespread due to the difficulty of enforcing the law, the lack of economic-ecological zoning prior to forestry activities, and the overlap of plantations in HCV 4 areas.

	Examples of critical ecosystem services in Brazil include water control and water quality, especially in native forests, which contribute to water regulation; soil protection, especially along streambanks, slopes, and hilltops, where native vegetation prevents erosion and siltation; and the protection of important water resources such as the Guarani Aquifer, which covers 71% of Brazil's total area. The Cerrado, in turn, has sensitive soils and requires special management to conserve water and soil, in addition to protecting the headwaters of the São Francisco River. In the Amazon, forests control the country's water regime. Applicable legislation, such as the Forest Code, requires the presence and maintenance of Permanent Preservation Areas (APPs) and Legal Reserves (RLs) to protect soil and water. Despite this, changes in legal requirements and a lack of ongoing enforcement result in systematic noncompliance. Although management plans and protective legislation exist, limited government resources hinder inspection and punishment of illegal actions, increasing pressure on natural resources. The FSC Forest Management Standard for Plantations in Brazil establishes clear guidelines for maintaining or enhancing ecosystems, their health, vitality, functions, and services within the Management Unit. The central objective is to conserve, restore, and maintain the ecosystem services and environmental values of the Unit, avoiding, repairing, or mitigating negative environmental impacts. Organizations seeking certification must demonstrate commitment and implement concrete measures to ensure the health and vitality of ecosystems, as well as the integrity of their functions and services, following systematic approaches that are proportionate to the scale, intensity, and risk of management activities. Assessing environmental values is the essential first step. The Organization must identify and thoroughly assess the environmental values within the Management Unit and any external areas that may be affected, always using the best available information. Environmental values include ecosystem functions such as carbon sequestration and storage, biological diversity, water resources, soils, atmosphere, and landscape values, including cultural and spiritual values. To prevent and reduce negative impacts, the Organization must identify in advance the risks associated with management activities and implement effective prevention, mitigation, and remediation actions. Activity planning should prioritize the protection of environmental values, minimizing adverse impacts and promoting ecosystem conservation. The protection and restoration of native ecosystems and biodiversity constitute another central approach. The Organization must protect representative sample areas or restore them to more natural conditions, maintaining biological diversity and preventing significant losses. Where previous activities have eliminated habitat features, restoration actions should be implemented in areas designated for conservation. Furthermore, landscape management must promote environmental and economic resilience by maintaining or restoring diverse mosaics of species, sizes, ages, spatial scales, and regeneration cycles appropriate to the landscape context. Protecting water resources and riparian zones is equally essential. Watercourses, water bodies, and natural riparian zones must be protected and restored, maintaining connectivity and avoiding negative impacts on

	water quantity and quality. Corrective measures are implemented when there is continued degradation caused by previous managers or third parties. Ecosystem service management should seek to produce diversified benefits or products, strengthening the local economy, but always at levels that preserve Ecosystem functions, based on the best available information. High Conservation Value (HCV) attributes must also be maintained or enhanced, including landscape-level ecosystems and mosaics (HCV 2) and critical ecosystem services (HCV 4), using effective preventive strategies to ensure their integrity. Finally, monitoring and adaptive management ensure that conservation objectives are achieved. The progress of activities, impacts on environmental values, and the overall condition of the Management Unit must be regularly monitored. Monitoring results guide management adjustments and reviews, ensuring that any non-compliance is corrected and that ecosystems are effectively protected or enhanced. The National Agency (ANR) classified indicator 3.4 (HCV 4) as a Determined Risk for the entire country. This designation considers that, although the presence of HCV 4 can be identified, there is a lack of detailed information on specific threats and that damage to natural forests is frequent, with ineffective monitoring. The precautionary principle was applied due to the widespread distribution of HCV 4 areas and the difficulty in accurately identifying threats. The established risk threshold is met, as HCV 4 is identified or likely in the assessed area and is threatened by management activities. To mitigate this risk, the ANR establishes mandatory and recommended control measures. Among the mandatory measures, the boundary between supply areas and the location of Conservation Units (except Environmental Protection Areas), areas of local communities, and indigenous and traditional peoples stands out, considering overlap or proximity of up to 10 km, using sources such as ICMBio, MMA, FUNAI, and INCRA. In cases of overlap or proximity, affected parties should be consulted to assess whether management does not negatively impact critical ecosystem services. Furthermore, field visits should be conducted to verify that good management practices are being applied. The ANR recognizes the significant importance of ecosystem services in Brazil and the existence of legislation for their protection. However, the territorial extent, the complexity of ecosystems, limited oversight, the occurrence of illegal activities, and the difficulty in directly correlating forest management with specific threats justify the Determined Risk classification for HCV 4, requiring the implementation of control measures to reduce impacts on critical ecosystem services. Connexion Export's timber suppliers implement operational plans that include conservation areas essential for maintaining biodiversity and providing environmental services, such as water and soil protection and carbon sequestration.
Risk Rating	Specified Risk

Brazil 903,892	Indicator
2.2.3	Soil quality in the Supply Base shall be maintained or enhanced
Supply Base Verifiers	□ Field inspections to verify the use of appropriate equipment and techniques appropriate to the terrain and topographic conditions of the supply units. □ Monitoring vegetation cover in production and recovery areas, including APPs and RLs. □ Inspection of the use of plant residues and the absence of burning or fire. □ Verification of the forest management plan or project, including soil conservation techniques. □ Soil fertility control through periodic analyses of physical, chemical, and biological parameters.
Risk Rating justification	Brazilian legislation and state regulations recognize the importance of maintaining and improving soil quality, especially in the context of forestry and agroforestry activities. The Rio Grande do Sul State Environmental Code (Law No. 15,434/2020) establishes that land use must consider techniques and methods that promote its conservation, improvement, and recovery, taking into account physical, chemical, biological, geomorphological characteristics, and socioeconomic functions, under penalty of sanctions in the event of environmental degradation. The same Code defines "soil improvement" as actions that increase its productive capacity without compromising future uses or associated natural resources. Additionally, CONAMA Resolution No. 420/2009 reinforces that soil protection must be preventive or corrective, aiming to restore its functionality and establish quality criteria regarding chemical substances and contaminated areas. The Forest Code (Law No. 12,651/2012) also provides incentives for soil conservation and improvement, integrating soil protection with the preservation of biodiversity and water resources. In forestry projects, the Environmental Zoning of Forestry (ZAS) in Rio Grande do Sul requires the adoption of detailed soil conservation techniques in forestry projects, and the use of sewage sludge in agriculture must be accompanied by an agronomic plan that includes appropriate soil conservation practices and fertility monitoring. Regarding management practices, producers use techniques compatible with "minimum tillage" and maintain vegetation cover throughout the production cycle, which contributes to preserving soil fertility and structure. Retaining plant residues after harvest and prohibiting the use of fire for cleaning or removing residues are essential measures that protect organic matter and soil cover. Furthermore, agroforestry management practices and fallow land are encouraged, allowing for the recovery of fertility without damaging native vegetation and preserving environmental functions. The restoration of Permanent Preservation Areas (APP) and Legal Reserves (RL), according to Normative Instruction No. 5/2009 of the MMA, requires natural regeneration or the planting of native species, ensuring compatibility with local phytophysiognomy and permanent maintenance of soil cover. Green manure and erosion control, when necessary, complement these practices, as does the adoption of conservation techniques in agriculture, such as appropriate

	grazing management and water and soil conservation, as guided by rural technical assistance agencies. Soil quality in the Supply Base must be maintained or improved, and is recognized by the FSC Forest Stewardship Standard for Plantations in Brazil as a fundamental environmental value. The standard emphasizes that soil health and vitality are essential to the sustainability of management, requiring the Organization to assess, protect, maintain, conserve, and, when necessary, restore the soils of the Management Unit. Before initiating any activity that could disturb the soil, the Organization must identify potential impacts and implement effective actions to prevent, mitigate, or repair any damage, ensuring that soil quality is preserved over time. Erosion protection is another key issue, especially in vulnerable watersheds and slopes, which are considered Critical Ecosystem Services. Soil integrity must be maintained to ensure ecosystem functionality and reduce risks associated with soil degradation. To this end, the management of infrastructure, transportation, and silvicultural activities must be carefully planned and executed to minimize impacts, preventing or repairing soil disturbances. Microplanning of harvesting and construction activities must always take into account the protection of environmental values, including soil, ensuring that any damage is promptly remedied. The standard promotes the maintenance of soil vegetation cover through the retention of forest residues after harvesting, which contributes to soil conservation, nutrient cycling, and erosion reduction. Furthermore, silvicultural practices must be ecologically appropriate to the species, location, and management objectives, and the use of fertilizers must be minimized or avoided. When employed, it is necessary to demonstrate that their ecological and economic benefits outweigh the risks and that measures are in place to prevent, mitigate, or repair negative impacts on the soil. In summary, although the term "minimum tillage" is not explicitly mentioned, the FSC standard embodies its philosophy by requiring the minimization of soil disturbance and the maintenance of its integrity. Practical control measures include: periodic soil quality assessment, vegetation cover monitoring, and planning. Detailed documentation of harvesting and infrastructure activities, forest residue retention in the soil, and records of fertilizer use with environmental justification. Verifiers may include soil assessment and monitoring reports, field images demonstrating vegetation cover and residue retention practices, harvest and infrastructure planning records, fertilizer application records, and evidence of corrective actions in impacted areas. These approaches ensure that soil quality is maintained or improved, aligning with sustainable forest management requirements and FSC principles. The FSC National Risk Assessment (NRA) for Brazil addresses the maintenance and improvement of soil quality in the Supply Base, particularly in the categories of Controlled Wood 1, referring to illegally harvested timber (Indicator 1.10 – Environmental Requirements), and Controlled Wood 3, originating from forests where high conservation values are threatened by management activities (Indicator 3.4 – HCV 4 Critical Ecosystem Services). Although the ANR does not explicitly use the terms "minimum tillage" or

	"maintenance of soil vegetation cover throughout the production cycle," the principles of these practices are covered by environmental legislation and risk assessments related to soil and water conservation. Brazilian legislation establishes important mechanisms for soil and water protection. Law No. 6,938/1981 (National Environmental Policy) seeks to preserve these resources, while the Forest Code (Law No. 12,651/2012) defines Permanent Preservation Areas (APPs) and Legal Reserves (RLs), which are essential for environmental protection on rural and urban properties. Vegetation in APPs plays a crucial role in soil protection, as does riparian forests, which filter and prevent erosion, preventing river silting. On slopes and hilltops, preserving native vegetation prevents the displacement of surface soil layers during heavy rainfall, protecting fertility and preventing negative impacts on springs and water bodies. The ANR also emphasizes that, in biomes such as the Cerrado, sensitive soils require specific management methods to conserve water and soil resources. Within the scope of critical ecosystem services (HCV 4), the ANR recognizes the importance of protecting water sources and controlling erosion in vulnerable soils and slopes, considering these elements as essential environmental services. Vegetation conservation and regulating soil degradation are direct benefits that ecosystems provide to people and to maintaining the productivity of forest areas. Despite the existence of comprehensive legislation and management plans, the ANR classifies the risk as "determined" for the entire country, both for indicator 1.10 and HCV 4. This is due to the possibility of forestry practices not complying with environmental requirements, the occurrence of corruption, inefficient enforcement, and the lack of continuous inspection. Furthermore, changes in legal requirements regarding minimum water source protection areas have resulted in widespread liabilities, demonstrating that non-compliance is frequent and systematic. Data and observations indicate that damage to natural forests occurs with some regularity, reinforcing the risk to soil and critical ecosystem services. As control measures and practical verifiers, field inspections are required to assess the compliance of operations with environmental legislation, with special attention to soil conservation and road infrastructure. In areas close to Conservation Units, local communities, indigenous and traditional populations (up to 10 km away), affected parties should be consulted to identify negative impacts on soil and critical ecosystem services. Field visits are recommended to confirm the application of good management practices, which include native vegetation conservation, erosion prevention, and soil fertility maintenance. The ANR recognizes the need to maintain or improve soil and water resource quality in the Supply Base, emphasizing the role of good management practices and soil conservation. However, due to weak oversight, the systematic occurrence of illegal activities, and inefficient monitoring, the risk of forest management practices causing soil damage is considered significant throughout the country.
Risk Rating	Specified Risk

Brazil 903,892	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	□ Management plans. □ The FSC-certified biomass producer verifies the management plan and assesses on-site conditions. □ Tree stumps and roots are not harvested. □ Maintenance of stumps, branches, and harvest residues is checked for nutrient cycling. □ Monitoring of APPs, riparian forests, and slopes to prevent erosion. □ Control of the collection and proper disposal of hazardous or contaminant waste. □ Review of forest management plans and internal audits to ensure environmental compliance. □ Planning and monitoring of management activities to avoid impacts on species and habitats. □ Pre-planning of harvesting and assessment of potential impacts on the soil. □ Minimum retention of forest residues in the soil (branches, stumps, and foliage). □ Periodic inspections of residue retention in the soil. □ Audits of soil conservation techniques. □ Verifying proper machine maintenance □ Monitoring the absence of fires □ Taking photographs of stumps and debris in renovation areas.
Risk Rating justification	The removal of forest harvest residues and the management of planted forest species must be conducted in a way that avoids irreversible negative impacts on the ecosystem. Brazilian legislation and applicable environmental guidelines, including the Environmental Zoning of Silviculture (ZAS) in Rio Grande do Sul, recommend that forest management activities be planned, implemented, and adjusted to prevent damage to rare, endemic, or endangered species, as well as to their habitats, soils, water bodies, and ecosystems in general. When managing native forests, a detailed analysis of environmental impacts and the application of harvesting procedures that minimize damage, including the conservation of High Conservation Value attributes, are recommended. The prohibition of the use of fire for clearing or removing plant or forest residues is a specific legal measure that protects the soil and organic matter, and prevents ecosystem degradation. When managing planted forest species, it is mandatory to adopt soil conservation techniques described in the forestry project, compatible with the characteristics of each silviculture Planning Unit (UPN). Additional precautions must be taken to prevent soil and water contamination, such as proper machinery maintenance and preventing fuel and lubricant spills. Forest plantations play a crucial role in soil and water conservation, wind protection, and the restoration of local ecosystem services, helping to reduce runoff and erosion in previously degraded areas.

	The preservation of stumps, branches, and other harvest residues is essential for the cycling of organic matter and nutrients. After harvesting, a certain amount of residue must be retained in the soil, according to the harvesting system and management objectives, ensuring that environmental values are preserved. The visibility of crop residues, such as stumps aligned in renovation areas, highlights that complete removal is not a recommended practice. Prohibiting the use of fire reinforces residue retention, allowing these materials to contribute to soil health and the maintenance of organic matter. The removal of forest harvest residues and/or stumps must be conducted in a manner that does not cause irreversible negative impacts on the ecosystem. In the management of planted forest species, harvesting is carried out using systems that minimize impacts on soil quality, keeping stumps, branches, and other residues in the soil to ensure the cycling of organic matter. The FSC Forest Management Standard for Plantations in Brazil emphasizes the need to assess and conserve environmental values, including soil quality, before initiating activities that may disturb it, applying actions proportional to the scale, intensity, and risk of potential impacts. Harvesting activities must be planned and executed to conserve environmental values, reduce the loss of marketable residues, and avoid damage to other products and services. After harvesting, a quantity of forest residues must be retained in the soil, considering the harvesting system and management objectives, in order to preserve soil health and nutrient cycling. Furthermore, infrastructure construction and transportation must be managed to protect soil and water resources by preventing, mitigating, or repairing disturbances and damage. Microplanning of operations must integrate the protection of environmental values, especially for activities outside the scope of SLIMF. In summary, harvesting in plantations must be conducted using practices that minimize impacts on the soil and promote the maintenance of organic matter, ensuring that the health, vitality, and functions of the ecosystem are preserved, avoiding irreversible negative impacts. The FSC National Risk Assessment (NRA) for Brazil recognizes the importance of soil conservation and nutrient cycling as crucial ecosystem services, and classifies the general environmental requirements (Indicator 1.10) and critical ecosystem services (HCV 4 – Indicator 3.4) as "Determined Risk" for the entire country, both in native forests and plantations. Indicator 1.10, related to environmental requirements, warns that although Brazilian environmental legislation, such as Law No. 6,938/1981 and the Forest Code (Law No. 12,651/2012), establishes soil and water preservation and ecosystem protection, oversight is limited by the vast territorial area, difficult access, limited oversight, and high levels of corruption, resulting in systematic disregard. Suggested control measures include field inspections to verify compliance of operations with applicable legislation, ensuring soil conservation, road protection, and the proper collection of waste generated by harvesting and processing activities size, including oils, packaging, and contaminated materials. Indicator 3.4 addresses critical ecosystem services, including water source protection and erosion control on vulnerable soils and slopes. The ANR

	points out that the correlation between management activities and threats to critical services, such as reduced water quality or quantity and impacts on human health, is complex. The importance of maintaining native vegetation is highlighted, especially in Permanent Preservation Areas (APPs), riparian forests, slopes, and hilltops, to protect the soil and prevent erosion and siltation. In the Cerrado biome, sensitive soil requires special management methods to conserve water and nutrients. The ANR also notes that changes in legal requirements related to water source protection have generated widespread liabilities on properties, indicating systematic non-compliance. In the case of forest plantations, Indicator 1.8 on harvesting regulations is classified as "Not Applicable" because there are no specific national legal requirements regarding harvesting techniques, including the maintenance of stumps, branches, and residues for organic matter recycling or the use of minimum tillage techniques. For native forests, approved forest management plans (PMFS) must consider forest dynamics, but the ANR does not detail residue management practices in this context. The ANR recognizes the importance of maintaining soil quality and ecosystem services, but attributes a certain risk due to limited oversight, the systematic occurrence of illegal activities, and the difficulty of detailed monitoring. Practical controls include field verifications of soil conservation, proper residue management, and compliance with APPs and Legal Reserves, as well as periodic audits and reviews of management plans, ensuring the implementation of practices that minimize environmental impacts and promote organic matter recycling. Connexion Export does not harvest stumps or roots and leaves harvest residues in the soil. This can be verified during field visits.
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
2.2.5	Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.
Supply Base Verifiers	□ Long-term water resource monitoring programs. □ Conduct field inspections to assess compliance of operations with environmental legislation, including water resource protection and proper waste management. □ Compare timber supply areas with the location of Conservation Units and local, indigenous, and traditional communities; consult with affected parties in cases of overlap or proximity. □ Maintain records of field visits and inspection reports that demonstrate the application of good management practices and the protection of sensitive areas. □ Ensure that harvesting and transportation activities minimize damage to watercourses, soil, and riparian vegetation, including the implementation of physical barriers and protection corridors. □ Monitor compliance with APPs, Legal Reserves, and other areas critical to

	water control, ensuring the maintenance of vegetation cover on riverbanks and slopes. Assessment of the effectiveness of mitigation and restoration measures through internal or external audits. Erosion control and soil vegetation maintenance. Recording and analysis of infrastructure, transportation, and forestry impacts on water resources. Water-related HCV indicators, such as assessment of watershed connectivity and functionality.
Risk Rating justification	The quality and quantity of groundwater, surface water, and downstream water must be maintained or improved, considering their essential role for life, ecosystems, and economic activities. Studies and monitoring indicate that planted forests, including eucalyptus forests, contribute positively to water infiltration into the soil and the regulation of surface runoff, mitigating the risks of water degradation. Brazilian legislation, particularly the Rio Grande do Sul State Environmental Code and the Forestry Environmental Zoning (ZAS) guidelines, establishes that water resources are natural assets under the State's control, with management focused on rational and sustainable use. This management is primarily implemented by the State Water Resources System (SERH), which provides for the protection of surface and groundwater and the promotion of gradual and irreversible improvements in the quality of currently degraded water. The conservation and preservation of aquatic ecosystems and associated natural resources are central principles of the legislation, ensuring priority water supply for populations and the sustainable development of economic activities. The watershed is considered the basic unit of planning and intervention, allowing actions to consider the hydrological cycle as a whole. Instruments such as granting water use rights are essential to ensure that the use of water resources does not compromise their quality or quantity, respecting legal standards and avoiding waste. The protection of Permanent Preservation Areas (APPs) is another critical mechanism, as these areas preserve water resources, the landscape, and biodiversity. Vegetation removal is permitted only in exceptional circumstances and without compromising water quality. Additionally, the Atlantic Forest Law reinforces the importance of protecting water sources as a priority environmental function. The quality and quantity of groundwater, surface water, and downstream water must be maintained or improved within the Management Unit. The FSC Forest Stewardship Standard for Plantations in Brazil establishes that the Organization must assess, protect, and, when necessary, restore environmental values, including water resources. This involves avoiding, repairing, or mitigating negative impacts caused by forest management activities, ensuring the conservation of watercourses and bodies of water, natural riparian zones, and their connectivity. Protecting water resources involves implementing preventive measures to minimize negative impacts, as well as restoring degraded areas. The Organization must also prevent or mitigate ongoing degradation caused by previous managers or third-party activities. The protection of watersheds and

	the control of soil erosion and vulnerable slopes are classified as Critical Ecosystem Services, reinforcing the importance of water for ecosystem functionality. Furthermore, infrastructure, transportation, and forestry management must be planned and conducted to protect water resources by preventing, mitigating, or repairing disturbances and damage. Systematic monitoring of water resources is a central requirement of the standard. The management plan must include actions to conserve and/or restore watercourses, water bodies, and riparian forests, and monitoring must evaluate the effectiveness of these actions, including the connectivity of protected areas. For non-SLIMF organizations, the effectiveness of water quantity and quality protection actions must be measured, taking into account the environment and other users. Verifiable indicators include periodic assessments of water quantity and quality, especially in High Conservation Value (HCV) attributes. Although the FSC Standard does not provide specific monitoring data on the effects of eucalyptus plantations on water infiltration and runoff regulation, it establishes practices that promote hydrological and soil protection. These practices include proper management of forestry and infrastructure, prevention and repair of soil damage, and maintenance of forest residues on the soil after harvesting to preserve environmental values. These measures indirectly contribute to water infiltration into the soil and the regulation of surface runoff. The quality and quantity of groundwater, surface water, and downstream water must be maintained or improved, considering the potential impacts of forestry activities. Brazilian legislation, including the National Environmental Policy (Law No. 6,938/1981), the Forest Code (Law No. 12,651/2012), and the Water Resources Law (Law No. 9,433/1997), establishes the protection of water resources, the maintenance of Permanent Preservation Areas (APPs), and the preservation of springs, lakes, and watercourses. Despite this, the FSC's National Risk Assessment (NRA) identifies specific risks for the country, both for native forests and plantations, due to the possibility of environmentally harmful forestry practices, insufficient oversight, and corruption. For timber from areas with high conservation values (Controlled Wood Category 3, Indicator 3.4 – HCV 4 Critical Ecosystem Services), water-related ecosystem services include water supply, flood and drought regulation, water quality maintenance, soil formation, and nutrient cycling. Legislation and good forest management practices, including the maintenance of APPs and Legal Reserves, aim to protect these services, with special attention to areas above the Guarani Aquifer, the Cerrado biome, and the Amazon, given their importance for water and soil conservation. However, the ANR believes that threats to critical ecosystem services are widespread due to monitoring difficulties, a lack of economic-ecological zoning, and changes in legislation that result in systemic noncompliance. While it is recognized that planted forests, such as eucalyptus, can contribute to water infiltration into the soil and the regulation of surface runoff, the ANR

	does not present specific monitoring to demonstrate this effect. The focus of the risk assessment is on preventing negative impacts and ensuring legal compliance, including the application of good management practices. Water-related risks in the supply base can be minimized through the maintenance and continuous improvement of the quality and quantity of water resources, the implementation of sustainable forestry practices that promote infiltration and balanced runoff, constant water monitoring, and strict adherence to legal regulations and certification standards, such as the FSC.
Risk Rating	Low Risk

Brazil 903,892	**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	□ Federal and State Legislation Report – Ongoing Legal Mapping; □ Emissions monitoring reports or equipment maintenance records; □ Updated environmental licenses and specific emission conditions; □ Action plans and records of implementation of best emission reduction practices; □ Internal and external audits that confirm compliance with legislation and best practices. □ Audit reports.
Risk Rating justification	Organizations must ensure that their atmospheric emissions comply with applicable national and state legislation, as well as industry best practices when there is no specific regulation. This is primarily based on the Rio Grande do Sul State Environmental Code (Law No. 11,520/2000), the National Environmental Policy (Federal Law No. 6,938/1981), and CONAMA resolutions, in addition to FEPAM ordinances and guidelines. Compliance with this indicator involves the following aspects: Air quality standards and maximum emission limits for stationary sources are defined by CONAMA Resolutions No. 003/1990, No. 382/2006, No. 436/2011, and No. 8/1990, which establish technical criteria for maintaining atmospheric integrity. The emission of pollutants in violation of these limits, as well as in concentrations that are harmful to human health, fauna, flora, or material assets, is prohibited, respecting the Land Use Classes and air quality standards for Industrial Districts. State ordinances, such as FEPAM No. 009/2012 and Ordinances of the Secretariat of Health and Environment (03/88 and 20/88), establish specific limits for certain industrial processes and potentially polluting activities. Atmospheric resource management includes environmental licensing, control of fixed and mobile sources, emission monitoring, and the adoption of preventive and corrective measures, ensuring that the total emissions do not exceed the air quality carrying capacity. The FEPAM Technical Guidelines establish maximum emission limits in environmental licenses, which may require additional measures such as the use of less polluting fuels or control

	of fugitive emissions. Emissions are monitored periodically, with critical technical analyses and reports that include standard gases and calibrated instruments. All activities that utilize environmental resources and potential sources of pollution are subject to prior environmental licensing, which may require an Environmental Impact Assessment (EIA/RIMA) and public participation in cases of significant environmental impact. Organizations must submit continuous self-monitoring and Annual Reports of Potentially Polluting Activities (RAPP), with detailed information on atmospheric emissions and greenhouse gases. Failure to comply with environmental regulations may result in administrative and criminal sanctions, including warnings, fines, suspension of activities, embargoes, destruction of products, and civil and criminal liability, as provided for in state (Law No. 11,520/2000) and federal (Law No. 9,605/1998) legislation. National and state legislation establishes a comprehensive system for controlling atmospheric emissions, encompassing air quality standards, emission limits, environmental licensing, monitoring, prevention and mitigation measures, and strict sanctions. The Organization, therefore, fully complies with the indicator by ensuring that its emissions are legally regulated and controlled, promoting environmental protection and human health. The FSC-STD-BRA-01-2025 guidelines for Plantations prioritize legal compliance, environmental impact management, monitoring, and adaptive management. Compliance with legislation and the protection of environmental values, in this case the atmosphere, are central aspects of this compliance. The certified Organization maintains an up-to-date mapping of all laws, regulations, and codes of practice applicable to its activities, including all federal and state resolutions regulating air quality and atmospheric emissions, as listed in the Federal and State Legislation Report. The FSC standard requires that all activities carried out in the Management Unit comply with these standards. Although Annex A of the standard provides a minimum list of legislation, the Organization recognizes that compliance with other federal, state, and municipal laws is equally mandatory, ensuring the full legal scope of its operations. Before beginning any activity that may generate atmospheric emissions, the Organization conducts Environmental Impact Assessments (EIA) to identify and evaluate the potential effects of its actions on the atmosphere and other environmental values. Based on this assessment, preventive and mitigating measures are defined to avoid negative impacts and, when necessary, repair or reduce damage already incurred. Management activities are planned and implemented to minimize risks and prevent recurring impacts, ensuring that the atmosphere is protected as a priority environmental value. Continuous monitoring of the impacts of activities that generate emissions is a fundamental part of the environmental management process. The Organization monitors the magnitude, intensity, and frequency of emissions and analyzes the results to continually adjust management practices, promoting adaptive management and ensuring co-operation. Legal compliance and continuous improvement. The main results of this monitoring, including impacts on the atmosphere, are made publicly available,

	preserving confidential information, in line with the FSC's principles of transparency and accountability. In the absence of specific national legislation, the Organization adopts a preventive approach, aligned with the precautionary principle, using industry best practices and available information to ensure the protection of the atmosphere and other environmental values. Even in the face of uncertainties or regulatory gaps, effective measures are implemented to prevent serious or irreversible damage, ensuring that operations are environmentally appropriate and socially responsible. Thus, the Organization demonstrates compliance with the indicator on atmospheric emissions by mapping and understanding applicable legislation, implementing internal compliance policies, conducting environmental impact assessments, applying preventive and mitigating measures, continuously monitoring the effects of its activities, and adjusting management practices based on the results obtained, ensuring atmospheric protection and compliance with best practices, even when specific legislation is not available. The "low risk" classification for atmospheric emissions is based on a combined assessment of legal, technical, and operational factors that indicate a low probability of significant adverse impacts on the atmosphere. The combination of legal compliance, low emission intensity, and the effectiveness of preventive and mitigation measures underpins the low risk classification, demonstrating that the Organization's activities pose a minimal threat to the atmosphere and other environmental values protected by the FSC.
Risk Rating	Low Risk

Brazil 903,892	**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	Adherence to FSC Chain of Custody certification procedures.
Risk Rating justification	The company uses procedures linked to FSC certification, which prohibit the use of banned pesticides
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
2.2.8	Waste shall be disposed of in an environmentally appropriate manner.
Supply Base Verifiers	Compliance with the National Solid Waste Policy (Law No. 12,305/2010) and the State Solid Waste Policy (Law No. 14,528/2014). Proof of waste disposal.
Risk Rating justification	The company's policy follows the National Solid Waste Policy (Law No. 12,305/2010) and the State Solid Waste Policy (Law No. 14,528/2014). The company also follows CONAMA Resolution No. 362/2005 regarding the

	disposal of used lubricating oil. Compliance with these regulations is also determined in the environmental licenses for forestry areas.Companies that provide services in the area dispose of contaminated waste periodically, in accordance with legislation.
Risk Rating	Low Risk

Brazil 903,892	**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	Forest inventory data to ensure that annual quantities of timber felled do not exceed the net annual increase in the supply area.
Risk Rating justification	Harvest levels are justified with reference to forest inventory data to ensure that production is sustainable in the long term.
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
2.2.10	Harvested areas shall be regenerated
Supply Base Verifiers	Forest management plans and post-harvest field visits to ensure regeneration of harvested areas. Verification of satellite imagery and audit results.
Risk Rating justification	Connexion Export is committed to maintaining areas in its supply base that guarantee forest regeneration, whether through planting or regrowth, in order to maintain the quality and quantity of harvested forest areas.
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
2.2.11	The impacts of natural processes such as fires, pests and diseases shall be managed.
Supply Base Verifiers	□ Forest management plans and risk assessments. □ Firefighting plan; □ Field verification. □ Continuous monitoring of forest areas for fires, pests, and diseases; □ Harvest planning in affected areas, ensuring the recovery of otherwise unused raw materials; □ Risk Assessment and National Risk Assessment (NRA) records. □ Validated or approved Fire Prevention and Control Plans. □ Reports on integrated pest and disease management programs. □ Documentation of management activity planning and adaptations for risk mitigation.

	□ Reports or records of corrective actions after fires, pests, or diseases. □ Harvest records in affected areas (salvage harvest) and production notes. □ Plans and records for replanting or regenerating affected areas, with deadlines met. □ Continuous monitoring reports of the Management Unit (occurrence of pests, diseases, and fires). □ Evidence of revisions to management objectives, goals, or procedures, demonstrating adaptive management. □ Implementation of natural or assisted regeneration measures in impacted areas; □ Recording and documentation of interventions for traceability and environmental compliance purposes; □ Adoption of good forest management practices aligned with federal and state environmental legislation, ensuring that any intervention preserves ecosystem services and contributes to forest sustainability.
Risk Rating justification	In Rio Grande do Sul, organizations adopt strict measures to manage the impacts of natural processes, such as fires, pests, and diseases, following federal and state legal frameworks, especially the Rio Grande do Sul State Environmental Code (Law No. 11,520/2000), the Brazilian Forest Code (Law No. 12,651/2012), the Atlantic Forest Law (Law No. 11,428/2006), the National System of Conservation Units Law (SNUC) (Law No. 9,985/2000), and normative instructions such as MMA Law No. 5/2009, among other applicable regulatory instruments. Regarding fires, legislation prohibits the use of fire for cleaning or removing plant debris, except when expressly authorized. For prevention and control, the organization develops and implements contingency plans aligned with the guidelines of the National Environmental System (Sisnama) and the National Fire Management and Control Policy. All accidents, including fires, are recorded in the Annual Report on Potentially Polluting Activities and Users of Environmental Resources (RAPP), detailing causes, dates, and impacts. These actions consider the effects on native vegetation and flora conservation, respecting the legal classification of the affected areas. The management of pests, diseases, and invasive species also follows specific regulations, such as SEMA Ordinance 79/2013, which requires the identification and control of invasive shrubs and trees, and SEMA/RS Normative Instruction No. 14/2014, which establishes rules for the management of Pinus spp. in production and environmental restoration areas. In the restoration of Permanent Preservation Areas (APPs) and Legal Reserves (RLs), measures are adopted to control and eradicate exotic plant species, using, when necessary, agrochemicals according to technical prescriptions and always seeking to reduce consumption. When harvesting is necessary in areas affected by fires, pests, or diseases, it is conducted to recover raw materials that would otherwise be lost or to aid ecosystem regeneration, always under prior environmental licensing. This licensing may require an Environmental Impact Assessment (EIA) and Environmental Impact Report (RIMA), or a Simplified Environmental Report (RAS), depending on the scale and potential impact of the activity. Sustainable forest management ensures that logging minimizes damage to

	ecosystems, respecting APPs, RLs, protected species, and heterogeneous forest structures. Post-harvest regeneration is carried out to restore vegetation cover and the original ecosystem composition, either through natural regeneration or assisted planting, as defined in the Forest Code and applicable regulatory instructions. Retaining forest residues in the soil and properly managing all generated waste contribute to preserving environmental values and biodiversity. Integrated planning also includes optimizing the use of raw materials, avoiding waste, and promoting the sustainability of operations. CONSEMA Resolution No. 390/2018, which regulates environmental licensing for forestry in Rio Grande do Sul, requires the submission of a firefighting plan for certain sizes of enterprises. The document requires a description of the methods adopted to prevent, control, and combat forest fires, as well as a strategy for action in the event of a fire. This requirement is part of the licensing process to ensure that the entrepreneur has preventive and response measures in place to protect the project area and its surroundings. The plan must detail the actions already taken, employee training, and recorded incidents in the area. FEPAM's environmental licenses for forestry focus on prevention and risk management to prevent such impacts. The documentation details fire prevention and fighting measures, requiring the developer to have adequate equipment and a water intake point easily accessible to fire trucks. Furthermore, the license requires the maintenance of clean firebreaks, with a minimum width of 6 meters internally and 12 meters at the boundaries, to prevent the spread of fire. The use of fire for cleaning is expressly prohibited, except in exceptional cases and with prior approval from the responsible agency. Regarding pests and diseases, the license requires the implementation of measures to prevent and control the wood wasp (Sirex noctilio). However, most of the conditions are dedicated to the management of invasive species, such as pine, which have a high capacity for dissemination. The developer is required to eradicate plants growing outside the cultivated areas and to control the regeneration of pine spp. on neighboring and adjacent properties within a radius of up to 1,000 meters. In the Management Standard for Plantations, Principles 8 (Monitoring and Evaluation) and 10 (Implementation of Management Activities). To meet this indicator, the Organization must implement a structured system of assessment, planning, management, and adaptive monitoring, focusing on the prevention, mitigation, and recovery of areas affected by natural processes. The first step is risk assessment and identification. The Organization must identify the potential impacts of natural disasters on infrastructure, forest resources, and local communities, also considering the effect of management activities on the frequency and intensity of these events. Environmental Impact Assessments must be conducted to measure the effects of management activities from the smallest Management Unit to the landscape scale. Based on these assessments, the Organization plans and implements preventive measures. Fire prevention and control plans, integrated pest and disease management programs, and silvicultural practices that minimize the

	need for chemical inputs, prioritizing physical or alternative methods when applicable, must be established. Management activities are planned to reduce identified risks, considering the scale, intensity, and criticality of each operation, and integrating the management of pests, diseases, and other natural processes into forest planning. Management activities include both preventive measures and recovery efforts. In the event of fires, pests, or diseases, strategies must be adopted to mitigate damage and prevent recurrence. Harvesting in affected areas—such as recovering otherwise lost raw materials—must be followed by timely replanting or regeneration, ensuring the protection of environmental values and the restoration of forest composition and structure to pre-harvest or natural conditions. Continuous monitoring and adaptive management are essential. The Organization must monitor relevant aspects of management activities, such as the presence of pests, diseases, and fires, evaluating the effectiveness of the actions implemented. Monitoring results are incorporated into periodic planning, promoting adjustments and revisions to management objectives, goals, and procedures whenever necessary. Thus, compliance with this indicator is demonstrated by an integrated management system that proactively identifies risks from natural processes, implements preventive and corrective measures, harvests and regenerates affected areas, and maintains a continuous cycle of monitoring and adaptive management, in accordance with FSC principles and criteria. In this context, the National Risk Assessment (NRA) contributes to a comprehensive analysis of risks at the national level, allowing for the classification and prioritization of preventive and corrective actions. The National Risk Analysis for Brazil for Controlled Timber contextually mentions the issue of disease and fires, especially within the scope of HCV 4 – Critical Ecosystem Services, highlighting the importance of regulatory services that influence climate, soil quality, flooding, drought, and the occurrence of diseases. There is also reference to external studies on fires in Amazonian forests, but there are no control measures or formal requirements established by the NRA for the management of natural processes aimed at timber recovery. Organizations manage natural impacts in their environmental planning and licensing, through preventive practices, continuous monitoring, management of invasive species, controlled harvesting in affected areas and effective regeneration of exploited areas, ensuring the recovery of raw materials and the preservation of environmental values and biodiversity, in full compliance with current legislation.
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
2.2.12	Genetically modified trees shall not be used.
Supply Base Verifiers	□ Self-declaration on commitment to FSC values, as per FSC-POL-01-004, prohibits the planting of genetically modified trees.

	□ Audit reports and evidence of compliance with the non-GMO policy.
Risk Rating justification	In Brazil, the use of genetically modified organisms (GMOs), including trees, is legally permitted but strictly regulated. Law No. 11,105/2005 (Biosafety Law), together with Decree No. 5,591/2005, establishes the legal framework that regulates the research, cultivation, and commercial use of GMOs, creating bodies such as the National Biosafety Council (CNBS) and the National Technical Commission on Biosafety (CTNBio). The CTNBio is responsible for issuing technical opinions, standards, and authorizations, ensuring the protection of human health, biodiversity, and the environment. Brazilian law permits the commercial use of genetically modified trees provided that specific authorization is obtained from the CTNBio. One example is the transgenic eucalyptus H421, authorized for commercial use in 2015 by the company FuturaGene (a subsidiary of Suzano), according to Technical Decision No. 4408-2015. However, to date, there are no records of commercial use of this variety in plantations in the country, with activities restricted to experimental testing in controlled areas in states such as São Paulo, Bahia, Piauí, and Maranhão. The FSC-STD-BRA-01-2025 Plantations standard clearly establishes that the use of genetically modified organisms (GMOs) is not permitted in Management Units. According to Criterion 10.4, the organization must ensure that no GMOs are used in its forestry activities. This requirement is reinforced by Indicator 10.4.1, which explicitly states that "No genetically modified organisms (GMOs) are used in management activities." In addition to the prohibition, the standard requires the organization to implement continuous monitoring of GMO use to confirm that these organisms are not used in the Management Unit. This monitoring is part of the adaptive management process, allowing for the assessment and prevention of environmental impacts resulting from practices that may involve GMOs. The standard's glossary defines a genetically modified organism as "An organism in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination," in accordance with the FSC's formal interpretation of GMOs (FSC-POL-30-602). Therefore, the use of genetically modified trees is expressly prohibited, and the organization must adopt monitoring and verification measures to ensure compliance with this requirement in all its forest management activities. The use of genetically modified (GMO) trees is addressed in the FSC's National Risk Assessment (NRA) for Brazil, specifically in Controlled Wood Category 5: Wood from forests in which genetically modified trees are planted. The monitoring and control of the planting and testing of GMO trees in Brazil are considered rigorous and effective. All authorization processes are public and published in the Official Gazette of the Union, allowing for detailed monitoring. In the case of native forests, the indicator is considered inapplicable, as there are no records of testing or commercial use of genetically modified native species, nor is there legal authorization for such. The biosafety framework adopted by Brazil follows the precautionary principle, aligned with the FAO, considering human health, biodiversity, and environmental sustainability, reinforcing that any use of GMOs must be

	conducted in a safe and controlled manner. Although Brazilian law allows the use of genetically modified trees under CTNBio authorization, there is currently no significant commercial use in the forestry sector, with activities limited to strictly monitored research and experimentation. Based on the absence of commercial plantations, procedural restrictions, and strict oversight by the competent agencies, the use of genetically modified trees in the forestry plantation sector is classified as "low risk." Connexion Export is committed to the FSC values, which include not participating in genetically modified tree planting activities.
Risk Rating	Low Risk

Brazil 903,892	**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	Official SBP policy document "RED Level A Risk Assessment for Article 29(7) LULUCF (v1.4) Nationally Determined Contribution (NDC) submitted by Brazil to the UNFCCC for the Paris Agreement Report on Brazil's National Inventory of Anthropogenic Greenhouse Gas Emissions and Removals (NIR 2024)
Risk Rating justification	Emissions from Land Use, Land-Use Change, and Forestry (LULUCF) are systematically addressed in accordance with the established accounting criteria through Route A. Connexion Export adopts this procedure based on Brazil's recent reclassification, which now meets the requirements for a consolidated Level A assessment, as attested by the official SBP document "RED Level A Risk Assessment for Article 29(7) LULUCF (v1.4)." The choice of Pathway A is based on the fact that the country of origin of the raw material (Brazil) is a signatory to the Paris Agreement and has submitted its Nationally Determined Contribution (NDC) to the UNFCCC, which formally covers and monitors emissions and removals from the LULUCF sector. This national mechanism ensures that changes in carbon stocks associated with

	biomass harvesting are already properly accounted for in the country's commitments to reduce or limit greenhouse gas emissions, eliminating the need for the organization to conduct a one-off Supply Base Evaluation (SBE) with local studies (as was required under Route C). The assessment demonstrates direct compliance with the criteria of the RED III Directive (Article 29(7)) and with the SBP requirements, since Brazil now meets the criterion set forth in Box 2, (a), (i) of the transition requirements document. Thus, to address the gaps in the FSC scheme regarding carbon stocks, Connexion Export is no longer required to conduct its own Level B or SBE assessments in the supply chain, ensuring robustness and transparency through reliance on government emissions inventories and remote sensing monitoring at the national level. This regulatory alignment allows not only for the correct accounting of LULUCF emissions linked to the Paris Agreement targets, but also a focus on identifying opportunities to reduce operational impacts and strengthen sinks in synergy with global climate benefits and the company's sustainability goals. It is therefore considered that there is "low risk" of non-compliance with Indicator 3.1.1, since the carbon stocks of the country of origin are properly monitored and integrated into the NDC. In addition, the company's commitment to the Cascade Principle ensures the use of high-quality wood for durable products and the production of biomass from waste or damaged wood, maximizing the use of resources. Whenever new supply areas are added, due diligence processes are updated to ensure continuous traceability to the Level A-validated supply base.
Risk Rating	Low Risk

Brazil 903,892	**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	Official SBP policy document "RED Level A Risk Assessment for Article 29(7) LULUCF (v1.4) Nationally Determined Contribution (NDC) submitted by Brazil to the UNFCCC for the Paris Agreement Report on Brazil's National Inventory of Anthropogenic Greenhouse Gas Emissions and Removals (NIR 2024)
Risk Rating justification	Connexion Export adopts Option A, in which the raw material comes from Supply Bases assessed through Supply Base Evaluation (SBE), demonstrating that forest carbon stocks are stable or show a long-term growth trend. This approach ensures that biomass production does not compromise the

	forest's carbon sink capacity, avoiding additional net greenhouse gas (GHG) emissions and contributing positively to climate change mitigation. The assessment considers technical data gathered from carbon studies of the supply areas, remote sensing, and spatial information to verify the stability of carbon stocks and the sustainable performance of the Supply Base. The intent of this indicator is to verify whether the supply of raw materials maintains or improves carbon results compared to a scenario without harvesting. The results demonstrate that, by maintaining stable or growing carbon stocks, Connexion Export contributes to the sustainable production of bioenergy and biofuels, ensuring ecosystem resilience and the continuity of associated ecosystem services, such as soil conservation, water regulation, and biodiversity support. Furthermore, adopting this practice reduces the potential risks of additional emissions resulting from poorly managed harvests, forest degradation, or slow biomass recovery. Therefore, the conclusion is that the risk is low, as Connexion Export's raw material supply is aligned with the maintenance and strengthening of forest carbon stocks, supporting the long-term sustainability of production and its climate and environmental benefits.
Risk Rating	Low Risk

Brazil 903,892	**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	 □ Forest inventory data and □ management plans that demonstrate the productivity of the areas. □ IMA data, □ AGEFLOR/IBÁ reports □ Studies of supply areas.
Risk Rating justification	Connexion Export's supply areas, located in Rio Grande do Sul, have highly favorable soil and climate conditions for the cultivation of eucalyptus and pine, the predominant species in the supply base. The state boasts fertile soils, well-distributed rainfall, and adequate temperatures, factors that allow for high rates of forest growth and productivity. According to data from AGEFLOR (2024), RS already has more than 971,000 hectares planted with eucalyptus and pine, consolidating forestry as a strategic activity in the state's agroforestry matrix. Average eucalyptus productivity in Brazil can reach approximately 60 m³/ha/year in seven-year rotations, a figure that places the country among the most competitive in the world. Productivity monitoring studies conducted in forest management units in Rio Grande do Sul indicate an average annual increase (AAI) of 26.3 m³/ha/year for eucalyptus and 20 m³/ha/year for Pinus elliottii, values significantly higher than in regions considered to have low productivity. Furthermore, the forest plantations at Connexion Export's supply base are not

	established in areas of low productive potential, but rather in previously anthropized areas (pastures and agricultural areas), where forestry is competitive compared to other land uses. Based on the data presented, it is concluded that there is "low risk" since: • Rio Grande do Sul has ideal soil and climate conditions for growing eucalyptus and pine; • The plantations have a high AAI and are managed appropriately, ensuring high productivity per area; • Connexion Export's supply areas do not qualify as regions of low forest productivity, and are recognized as suitable and competitive for sustainable timber production.
Risk Rating	Low Risk

Brazil 903,892	**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	□ Mapping of overlapping prohibited and restricted areas, such as primary and old-growth forests. □ Georeferenced maps showing the location of supply areas and their overlap with Conservation Units, Priority Areas, and Intact Forest Landscapes. □ Supply Base Evaluation (SBE) reports demonstrating the exclusion of sensitive areas from harvesting. □ Environmental permits. □ Field visit records demonstrating the implementation of good management practices and the absence of impact on sensitive areas. □ Harvest monitoring maps □ Microplanning maps □ Evidence of stakeholder consultations, including communication records, minutes or responses received, and corrective actions when necessary. □ Environmental monitoring reports that demonstrate the maintenance or improvement of HCV attributes and high carbon stocks over time.
Risk Rating justification	Connexion Export is committed to not sourcing timber from forests where high conservation values are threatened. In Rio Grande do Sul, the Forestry Environmental Zoning (ZAS) is an essential instrument, as it defines occupancy limits, maximum forest size, and maintains ecological corridors, contributing to the conservation of natural ecosystems. The process begins with rigorous environmental planning and licensing, which includes the mandatory Rural Environmental Registry (CAR) for all rural properties and possessions. Presentation of the CAR registration receipt is essential for any environmental licensing application. Furthermore, any activity that uses environmental resources or is potentially polluting must be preceded by environmental licensing, ensuring legal compliance and impact mitigation. At the same time, other restrictions and best practices must

	be observed, such as the prohibition of the use of fire on vegetation, except in specific situations previously approved by the environmental agency, and strict control of invasive alien species, such as Pinus spp., whose planting is restricted to areas licensed for forestry production and prohibited for other purposes, including windbreaks, landscaping, or environmental restoration. It is the landowner's responsibility to prevent the spread of these species and ensure they do not isolate natural environments, maintaining functional ecological corridors. In summary, compliance with the indicator requires thorough environmental due diligence, including consultation of official maps and databases, obtaining technical reports and specific licenses, implementing sustainable management plans, and maintaining a transparent and traceable chain of custody. The presence of risk to areas classified as HCVs, combined with legal requirements in Brazil, demands a precautionary, robust, and systematic approach to the management of forest raw materials, ensuring that their origin does not compromise carbon stocks or areas of high conservation value. Connexion Export meets this indicator through a robust process of identification, assessment, exclusion, and monitoring of these areas, ensuring compliance with both Controlled Wood and FSC Forest Management. For raw materials classified as Controlled Wood, the Organization maps sourcing areas and compares their location with Priority Conservation Areas and Conservation Units (except APAs), using official data from ICMBio, FUNAI, MMA, and INCRA. Areas with Intact Forest Landscapes, Ramsar sites, and territories of indigenous or traditional communities are considered proxies for high carbon stocks and HCVs. These identified areas are automatically excluded from the Supply Base, ensuring that the primary raw material does not originate from locations with critical attributes. Additionally, field visits and stakeholder consultations are conducted whenever necessary, ensuring that forest management does not negatively impact critical ecosystem services, community needs, or cultural values. Furthermore, detailed records are kept of all assessments, exclusions, and consultations, and periodic monitoring ensures compliance is maintained over time. In the case of FSC Forest Management, high carbon stocks are considered intrinsically associated with well-preserved natural forests. Organizations holding FSC Management Certification identify and record HCV attributes, including species diversity, ecosystems and mosaics, critical ecosystem services, community needs, and cultural values. Based on this assessment, management strategies are developed and implemented to prevent negative impacts on HCV attributes, including the prohibition of industrial activities in Intact Forest Landscapes and natural areas with high carbon stocks. Connexion Export applies preventive and mitigating measures, ensuring that no sensitive areas are harvested or converted, and continuously monitors the effectiveness of protection strategies, adjusting them whenever necessary. Environmental monitoring reports, including the maintenance of critical attributes, are made transparent, reinforcing the robustness of the management system.

	In this way, Connexion Export ensures that the primary raw material does not come from forest areas with combined attributes of high carbon stocks and high conservation value, fully meeting Indicator 3.2.3. The implemented process integrates rigorous identification, exclusion of sensitive areas, preventive management strategies, and continuous monitoring, resulting in "low risk" and ensuring the environmental sustainability of the Supply Base.
Risk Rating	Low Risk

Brazil 903,892	**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	□ Wood segregation practices during harvesting. □ Blocks labeled "commercial" are intended for pulp production. □ Blocks labeled "Biomass" are those whose wood is damaged, making it unsuitable for pulp production. □ Training of relevant personnel and suppliers on SBP definitions and requirements. □ Visual inspection of raw materials upon receipt to confirm their categorization. □ Maps indicating segregation by block. □ Separate products on invoices.
Risk Rating justification	In the context of Connexion, compliance with this principle is ensured through harvest segregation practices, differentiated timber disposal, and prioritization of higher-value regional markets. High-quality timber is primarily directed to pulp production – the sector that represents the highest-value use available regionally. Only logs damaged by fires, windstorms, or those of low commercial quality are fully allocated to biomass. Based on an analysis of local market conditions, it is observed that there is no industry with sufficient technical or quantitative capacity to absorb high-quality roundwood for longer-lasting applications, such as furniture or civil construction. Therefore, the risk of high-quality timber being diverted to biomass is considered low, since: Operational segregation – Harvested blocks are classified and allocated according to technical maps and visual inspection. Value prioritization – Higher-quality timber is allocated to pulp, while lower-value or damaged timber is allocated to biomass. Local market assessment – Regional demand does not present significant competition between long-lasting products and biomass. Economic and environmental viability – The sale of higher-value timber subsidizes the removal of low-value timber, ensuring sustainable management and replacement with high-yield plantations. Therefore, it can be concluded that raw material management in the supply areas meets Indicator 3.3.1, ensuring that cascading use is respected and that the biomass used does not compete with uses of greater economic, environmental, and climate value. Supporting documents, such as harvest maps distinguishing commercial blocks from blocks intended for biomass, technical commercial feasibility reports, and operational segregation records, can be made available to objectively demonstrate compliance with the

	Cascading Principle. Connexion Export guarantees that the raw material used in biomass production does not compete with the supply of wood for long-lasting products, such as pulp. This indicator is classified as "low risk."
Risk Rating	Low Risk

Brazil **903,892**	**Indicator**
4.1.1	Freedom of association and the right to collective bargaining shall be respected in the workplace.
Supply Base Verifiers	□ Declaration of Commitments and Conduct. □ Training records, such as attendance lists and emails sent. □ Declaration of Commitments and Conduct, which reinforces the company's commitment to the eradication of child labor, the prohibition of forced labor, non-discrimination, respect for freedom of association, and compliance with ILO conventions. □ Pay slips and collective agreements for wage verification. On-site inspections and Health and Safety Programs for Service Providers. □ Documented grievance procedures and communication channels, such as email and the "Secure Contact" website. □ Internal HR policies that ensure freedom of association and collective bargaining. □ Copies of current collective agreements and conventions. □ Meeting records and minutes of collective negotiations. □ Legal certificates and inquiries (infringement notices, debts). □ Conduct inspections of all controlled wood supply units at least once during the supply period. □ Verify legal documentation for all teams.
Risk Rating justification	Respect for freedom of association and the right to collective bargaining constitutes a fundamental principle for the responsible management of forest management units and the supply of controlled timber. In the context of FSC-certified areas, this indicator is addressed by Principle 2 of the FSC-STD-BRA-01-2025 Plantations PT standard, specifically Criterion 2.1, which establishes the defense of principles and rights at work in accordance with the ILO Declaration on Fundamental Principles and Rights at Work (1998), based on the eight ILO Fundamental Conventions. To meet this indicator, the Organization must ensure that workers can freely associate with trade unions, create and join unions, and participate in collective bargaining processes without any interference, discrimination, or retaliation. The Organization must negotiate in good faith with legally recognized representatives, maintain updated copies of collective agreements and conventions, and ensure their compliance. These principles apply to all workers, including direct employees, outsourced service providers, subcontractors, and self-employed workers working in the

	management unit. In controlled timber areas, the FSC's National Risk Assessment (NRA) for Brazil classifies the indicator related to labor rights (Indicator 2.2) as a determined risk, indicating that there is evidence of frequent violations of these rights, including freedom of association and collective bargaining. The NRA's analysis highlights as critical factors the lack of specific legislation, the non-ratification of ILO Convention No. 87 on freedom of association, and the existence of practical restrictions, such as the single-union system, which limits the number of unions per category. Despite this, Brazilian legislation provides for some related instruments, such as the Consolidation of Labor Laws (CLT), the Collective Bargaining Law (Law No. 4,725/1965), and the Strike Law (Law No. 7,783/1989), which provide a basis for collective bargaining, although they do not ensure full protection according to international standards. To mitigate the identified risk and demonstrate compliance, the Organization must implement control measures that include: regular field inspections to ensure there is no interference with union membership, discrimination, or labor practices analogous to slavery or child labor; maintaining clear internal policies that respect the rights to freedom of association and collective bargaining; documenting existing collective agreements; and, as recommended, presenting debt certificates and consulting violation reports from all supply units. These actions demonstrate that the Organization goes beyond national legal requirements, aligning itself with good practices and FSC principles, creating a safe, fair, and participatory work environment.
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
4.1.2	Forced or compulsory labour shall not be used.
Supply Base Verifiers	□ Declaration of Commitments and Conduct. □ Policies available via email. □ Conduct periodic inspections of all controlled or certified timber supply units, at least once during the supply period. □ Submit debt certificates and consult the supply unit's violation notices (MTE). □ Conduct periodic internal and external audits on forced labor practices and working conditions. □ Document recruitment, hiring, and personnel management processes, ensuring voluntary worker consent. □ Internal policies and communications prohibiting forced labor. □ Records of hiring, wage payments, and working conditions. □ Debt certificates and violation notices. □ Internal HR procedures and collective bargaining agreements.
Risk Rating justification	The FSC principle – Workers' Rights and Conditions of Work – expressly prohibits any form of forced, compulsory, or slave-like labor. Compliance with this indicator requires that all employment relationships be voluntary, based

	on mutual consent, and free from any form of coercion, including physical or psychological violence, debt bondage, withholding of wages or identity documents, restriction of mobility, and threats of reporting to authorities. The prohibition extends to the worst forms of child labor, including sexual exploitation, illicit activities, and work that harms the health, safety, or morals of children. The FSC National Risk Assessment (NRA) for Brazil classifies the risk of forced labor as a Determined Risk, reflecting evidence of widespread coercive practices, particularly in the rural and forestry sectors. National studies and reports from organizations indicate that workers in the forestry sector, including those in logging and deforestation activities, are vulnerable to slave-like labor conditions. Critical regions, such as the "arc of deforestation" in the north of the country—covering Pará, Mato Grosso, Maranhão, and Tocantins—concentrate the largest number of workers subjected to these conditions, reinforcing the need for preventive measures and active surveillance. The ANR also notes the lack of consistent government inspections, which reinforces the FSC's application of the precautionary principle, requiring organizations to adopt robust control practices, regardless of the lack of specific local evidence. In the context of FSC-certified forest management, meeting this indicator implies the implementation of clear policies and procedures that prohibit forced labor and ensure that all workers—direct employees, outsourced workers, subcontractors, or self-employed workers—are hired voluntarily. This includes ensuring full and timely payment of wages, freedom of movement, access to personal documents, and the maintenance of a safe and dignified working environment. Internal and external audits, field inspections, and confidential reporting mechanisms are essential tools for demonstrating compliance. FSC certification requires that these measures be documented and regularly monitored, demonstrating the practical application of the principle, even in regions with a high risk of violations. Compliance with the indicator is also supported by international and national standards. Among the international standards, ILO Convention No. 29 on Forced or Compulsory Labor stands out, which defines forced labor as labor exacted from an individual under threat of any penalty and for which they have not offered themselves voluntarily. The ILO Declaration on Fundamental Principles and Rights at Work (1998) reinforces the elimination of all forms of compulsory labor. At the national level, the Brazilian Penal Code (Decree-Law No. 2848/1940, Section 149) defines labor analogous to slavery and its characteristic elements, including degrading conditions, exhausting work hours, debt bondage, and physical or psychological coercion. Supplementary labor legislation also provides standards on safety, compensation, and freedom of contract, but it has gaps that require certified organizations to adopt proactive control measures in line with FSC principles. There is evidence to support the risk of violations of these rights in Brazil, making them a specific risk. Connexion must demonstrate, through documentary, observational, and interview evidence, that no form of forced or compulsory labor occurs in its controlled timber management or supply units. This commitment ensures that operations fully respect human rights, FSC

	principles, and international decent work standards, even in a national context marked by specific risks of violations.
Risk Rating	Specified Risk

Brazil 903,892	**Indicator**
4.1.3	Child labour shall not be used.
Supply Base Verifiers	□ Declaration of Commitments and Conduct. □ Policies available via email. □ Hiring records, work permits, birth certificates, or other identification documents. □ Reports of regular inspections of farms, yards, processing plants, and suppliers. □ Contracts, schedules, and activities performed by minors in apprenticeship programs. □ Internal and external reports documenting compliance with the prohibitions and restrictions of the FSC standard. □ Observation of working conditions and schedules. □ Records of evidence of the absence of child labor. □ Training records, such as attendance lists and emails sent. Declaration of Commitments and Conduct, which reinforces the company's commitment to the eradication of child labor, the prohibition of forced labor, non-discrimination, respect for freedom of association, and compliance with ILO conventions. □ Pay slips and collective bargaining agreements for wage verification. □ On-site inspections and health and safety programs for service providers. □ Documented grievance procedures and communication channels, such as email and the "Contato Seguro" website.
Risk Rating justification	Child labor is explicitly prohibited by both Brazilian law and certification standards, such as the FSC, aligned with the International Labor Organization (ILO) conventions. Organizations must ensure that their employment practices, as well as those of their suppliers, do not involve child labor, ensuring compliance with these standards. The minimum age for employment is 15, or the highest age established by local legislation, whichever is stricter. In Brazil, the Consolidation of Labor Laws (CLT) prohibits the work of children under 16, except as apprentices from 14 years of age. The FSC permits, in some countries, light work for young people between 13 and 15 years of age, as long as it does not interfere with schooling, does not harm the child's health or development, and occurs outside of school hours. For those under 18, hazardous or heavy work is strictly prohibited, except for legally authorized training. Hazardous work includes any activity that may endanger physical, mental, or moral health, and may result in death, serious injury, or permanent illness. Furthermore, exposure to unhealthy conditions or night work is prohibited. The FSC and Brazilian legislation also prohibit the worst forms of child labor, including all forms of slavery or similar practices, sexual exploitation, recruitment for illicit activities, and work that may harm

	the health, safety, or morals of children. Despite the Brazilian legal framework, which includes the CLT and Law No. 10.097/2000, risk assessments indicate that child labor remains a problem in several regions of the country, especially in the rural and forestry sectors. Inspections conducted by the Ministry of Labor and Employment show that situations of slave labor and the employment of minors still occur, demonstrating that oversight is insufficient to ensure full compliance with the law. The FSC Forest Stewardship Standard for Plantations in Brazil addresses the issue of child labor clearly and in detail, reinforcing the protection of the rights of children and adolescents in the workplace. The standard is based on the ILO Declaration on Fundamental Principles and Rights at Work (1998) and compliance with national legislation. The standard establishes that underage workers cannot be employed in general, respecting the national minimum age, as long as this is not less than 15 years old, as determined by the ILO. There is an exception for light work, permitted only for apprentices aged 13 or older, as long as it does not interfere with schooling or harm the health and development of the young person. This light work must comply with school hours and must not compromise the child's ability to learn. It is expressly prohibited to employ children under 18 in hazardous or heavy work. Hazardous work is defined as work that exposes children to physical, mental, or moral risks, including abuse, working at heights, in confined spaces, handling machinery or heavy loads, unhealthy environments, or inadequate working hours. Heavy work is work that is likely to cause harm to the child's health. Furthermore, the standard prohibits the worst forms of child labor, including all forms of slavery or similar practices, sexual exploitation, the use of children in illicit activities, and any work that compromises health, safety, or morals. The National Risk Assessment (NRA) explicitly addresses the issue of child labor in Controlled Timber Category 2, under Indicator 2.2, which addresses respect for labor rights, including ILO fundamental principles and rights. The NRA classifies this indicator as a determined risk for the entire country, based on evidence of child labor and labor analogous to slavery in several states, as well as records of violations in all Brazilian states, highlighting the limited number of official inspections. Experts from the Standards Development Committee consider such violations to be frequent and systematic, including in forestry activities, which justifies the application of the precautionary principle. The determined risk threshold is met, indicating the existence of substantial evidence of widespread violations of ILO fundamental labor principles and rights. The Brazilian legal framework is robust, with the Consolidation of Labor Laws (CLT) prohibiting the work of children under 16, except as apprentices from 14, in addition to prohibiting unhealthy or night work for minors, supplemented by Law No. 10.097/2000. The country has ratified important ILO international conventions, such as Convention No. 138 on the Minimum Age and Convention No. 182 on the Worst Forms of Child Labor. Despite this, ILO data indicate that millions of children and adolescents remain in the labor market, with a significant portion engaged in

	agricultural and potentially hazardous activities. Additional information indicates that, between 2012 and 2016, 35 cases of child labor related to forestry activities were recorded in several states, involving both native forests and plantations. Brazil has already established goals to eliminate child labor, but full compliance remains a challenge, with international indicators, such as Maplecroft, classifying the country as high-risk. To mitigate this risk, the ANR recommends conducting field inspections to ensure that child labor and labor analogous to slavery are not occurring, a mandatory requirement. Additional recommended measures include the presentation of debt certificates and consultation of procedural information on violation reports from supply units. In summary, although there is solid legislation and international commitments, the persistence of violations, insufficient oversight, and the widespread distribution of child labor cases in the forestry sector require the implementation of strict control measures, classifying the situation as a determined risk throughout the country. The FSC establishes a strict child protection policy: a general ban on child labor, minimum ages for employment, restrictions on light work, a ban on hazardous or heavy work, and a ban on the worst forms of child exploitation, thus ensuring that certified operations comply with international human rights and labor standards. The legislation and certification standards seek to eradicate child labor in all its forms by establishing strict minimum ages, restrictions on adolescent labor, and prohibiting the most severe forms of exploitation. Thus, with control measures and verifiers, it is possible to classify a company as "low risk."
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
4.1.4	Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.
Supply Base Verifiers	□ Adopt a formal equality and non-discrimination policy applied to all stages of the employment relationship (hiring, compensation, promotion, training, termination, and retirement). □ Use objective and transparent criteria for recruitment, selection, performance evaluation, and promotion. □ Ensure equal pay for roles of equal value, in accordance with the Consolidation of Labor Laws (CLT) and ILO conventions. □ Implement diversity and inclusion programs, with actions focused on gender, race, ethnicity, age, and people with disabilities. □ Offer periodic training on moral harassment, sexual harassment, and discriminatory practices. □ Establish secure and confidential reporting channels for cases of discrimination or harassment. □ Conduct internal audits and periodic analyses to identify disparities in pay, access to positions, and training.

	□ Promote inclusive communication in job postings and institutional materials. □ Ensure physical and digital accessibility for workers with disabilities. □ Make a public commitment to respect ILO conventions and national legislation. □ Payroll and salary records, demonstrating equal pay for workers in equivalent roles. □ Evidence of communication of the policy to all workers (bulletins, circulars, meetings, training). □ Reports on the operation of the whistleblowing channel, including statistics on reported and resolved cases. □ Declaration of Commitments and Conduct. □ Policies available by email.
Risk Rating justification	Brazilian law treats non-discrimination as a fundamental principle of labor relations, in line with the Federal Constitution and international standards of the International Labor Organization (ILO). The 1988 Constitution establishes, in Article 5, the equality of all before the law, without distinction of any kind, and, in Article 7, guarantees the rights of urban and rural workers, prohibiting differences in wages, job functions, and hiring criteria based on sex, age, race, or marital status. The Consolidation of Labor Laws (CLT) reinforces this protection, as in Article 373-A, which prohibits discriminatory practices against women in the workplace, and Article 461, which guarantees equal pay for equal work, without distinction of sex, ethnicity, or nationality. This framework is complemented by Law No. 9,029/1995, which prohibits discriminatory practices in hiring and retention; Law No. 7,716/1989, which defines crimes resulting from racial or color prejudice; Law No. 12,288/2010 (Racial Equality Statute), which combats racial discrimination and promotes equal opportunities; and Law No. 13,146/2015 (Statute of Persons with Disabilities), which ensures accessibility and equal treatment. From an international perspective, Brazil has ratified ILO Conventions 100 and 111, which address, respectively, equal pay and the elimination of discrimination in employment and occupation. Thus, non-discrimination encompasses all stages of the employment relationship—hiring, remuneration, access to training, promotion, termination, and retirement. Discrimination is understood as any distinction, exclusion, or preference that compromises equality of opportunity or treatment. In practice, the principles unfold into specific aspects. In hiring and promotion, there must be equal opportunities, prohibiting discriminatory admission criteria and ensuring inclusive language in job advertisements. Regarding remuneration, the CLT (Consolidation of Labor Laws) ensures that work of equal value corresponds to equal pay, regardless of gender, race, or nationality. When accessing training, it is necessary to ensure equity, with equal opportunities for men and women, in addition to including content on harassment and discriminatory practices. Regarding termination and retirement, although not explicitly stated in law, general principles of equality ensure that there are no abusive distinctions. Organizations must also adopt institutional non-discrimination policies,

	conduct periodic self-assessments, maintain secure reporting channels, and implement measures to identify and eliminate inequalities in pay and treatment. This commitment requires continuous monitoring and mechanisms to protect whistleblowers, in order to promote fair and inclusive work environments. The FSC Standard for Plantations in Brazil comprehensively addresses the non-discrimination of workers in various spheres of employment, as established in Principle 2 – Workers' Rights and Conditions of Work. Organizations seeking certification must respect and uphold principles and rights at work, in line with the ILO Declaration on Fundamental Principles and Rights at Work (1998) and the eight Core Conventions. Regarding hiring, the standard requires equal opportunities, determining that positions at all hierarchical levels are open without distinction and that diversity and gender balance are considered. Workers of all genders must be encouraged to occupy different roles, promoting equal participation throughout the organizational structure. Regarding compensation, it is established that all workers, regardless of gender, sexual orientation, race, or origin, receive equal pay when performing the same functions, taking into account length of service, job responsibilities, location, and applicable legislation. Furthermore, salaries paid must be at least equivalent to the legal minimum wage or the amounts established in collective agreements, with the higher wage prevailing. In access to training, the organization must ensure gender equality and eliminate barriers that may restrict participation. Work typically performed by women must be included in training programs on an equal basis with work traditionally performed by men. This principle also extends to promotion, as the standard provides for the elimination of barriers to professional advancement and encourages the presence of workers of all genders at different hierarchical levels, even if promotion is not explicitly mentioned. Regarding termination, the standard prohibits discriminatory practices that interfere with the permanence of the employment relationship, such as requiring pregnancy or sterilization certificates, or any other criteria that limit the right to continued employment. Regarding retirement, there is no reference explicitly prohibits discrimination. The standard's definition of discriminatory practices is broad and includes criteria related to race, gender, sexual orientation, national origin, color, marital status, family status, disability, vocational training, age, political opinion, national ancestry, or social origin, among others. This ensures the ability to recognize and address new forms of discrimination that may arise. The organization must also publicly declare its commitment to eliminating discriminatory practices and promoting gender equality, communicating this in a manner accessible to all employees. It must identify and analyze barriers, as well as implement preventive and corrective measures. Effective mechanisms are also required to report and record cases of bullying, sexual harassment, and discrimination, ensuring confidentiality and protecting whistleblowers from retaliation. Furthermore, employees must receive specific training to identify and report such practices, strengthening a culture of

	respect, equity, and inclusion in the workplace. Risk analysis regarding non-discrimination of workers in hiring, compensation, access to training, promotion, termination, or retirement is covered in the FSC-NRA-BRA V 1-0 standard, specifically in Indicator 2.2, which addresses respect for labor rights in accordance with the ILO Fundamental Principles and Rights at Work. This indicator was designated as a determined risk for all of Brazil because, despite applicable legislation, there is substantial evidence of persistent violations of the principles of equal opportunity and treatment. The country has ratified ILO Conventions 100 and 111, which address, respectively, equal pay for men and women and the elimination of discrimination in employment and occupation. Nevertheless, racial and gender discrimination remain recurrent. Occupational segregation is observed, with a low presence of women in management positions, in addition to significant wage gaps ranging from 17% to 40%, depending on factors such as gender, race, ethnicity, and education level. Black and Indigenous women are the most affected by lower wages and lower-quality jobs, and the lack of consistent information on measures against sexual harassment in the workplace is also a cause for concern. Legally, the 1988 Federal Constitution prohibits differences in wages, functions, and hiring criteria based on sex, age, race, or marital status, and also punishes discriminatory practices that violate fundamental rights and freedoms, including racism. The Consolidation of Labor Laws (CLT) also prohibits discrimination based on sex, nationality, or age for work of equal value. There are also specific laws, such as Law No. 9,029/95, which prohibits discriminatory practices against women, and others that guarantee rights for workers with disabilities. However, the practical implementation of these standards is considered insufficient, and enforcement is weak, resulting in frequent and systemic violations. Even with solid legislation, the risk of discriminatory practices in Brazil remains high. Research indicates that the gender pay gap is around 17%, and that Black, Indigenous, and mixed-race women are concentrated in lower-quality, lower-paying jobs, making them the most affected by inequalities. Labor inspection reports also point to persistent cases of discrimination and harassment, highlighting the need for oversight, awareness, and effective enforcement of existing legislation. Therefore, it is classified as a "specified risk."
Risk Rating	Specified Risk

Brazil 903,892	**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	□ Collective bargaining agreement. □ Provider pay stubs. □ Documentary evidence: payslips, receipts, bank statements, employment contracts, benefit records, and adjustments.

	□ Comparison with legislation and sectoral minimum wages: verify that wages paid meet or exceed the legal minimum wage, minimum wages, and defined living wages. □ Audit records: internal and external reports on wage compliance. □ Engagement records: minutes of meetings with workers or unions regarding wages and benefits. □ Timely payment records: evidence of payments made on the correct dates, without delays. □ Pay equity verification: analysis of the salary schedule for equal roles, identifying potential unjustified differences. □ Complaint and corrective action records: complaint reports, investigations, and measures taken. □ Proof of payment of social security contributions (FGTS, INSS). □ Identification documents proving the minimum age of workers. □ Field inspection reports, worker interviews, and direct observations attesting to the absence of child labor or slavery. □ Internal or external audits confirming the effective implementation of control measures.
Risk Rating justification	Brazilian legislation is clear and strict regarding the mandatory payment of wages equal to or higher than the legal minimum wage. The 1988 Federal Constitution (Article 7, IV) guarantees this right, establishing that the minimum wage must meet the basic living needs of the worker and their family, with periodic adjustments to preserve their purchasing power. The Consolidation of Labor Laws (CLT) (Article 76) defines the minimum wage as the minimum consideration due to the worker, paid in legal tender, prohibiting payment in goods or substitute benefits. The minimum wage is updated annually by law or provisional measure and applies to all formal workers, whether urban, rural, domestic, or apprentices. Furthermore, specific minimum wages defined in collective agreements or conventions may be in effect, with the highest amount in favor of the worker always prevailing. Failure to pay the minimum wage constitutes a labor violation, subject to prosecution by the Labor Inspectorate and legal action in the Labor Court. In the context of certification standards (such as FSC), the requirement goes beyond national legislation: organizations must pay wages that meet or exceed minimum sectoral standards or living wages when these are higher than the legal minimum. They must also adopt mechanisms for engaging with workers or representatives to define fair wages, eliminate pay inequalities between workers performing the same role, and ensure that everyone receives equal pay for work of equal value, regardless of gender, race, or sexual orientation. The FSC standard for Plantations in Brazil explicitly establishes that wages paid to workers must meet or exceed the legal minimum wage. Criterion 2.4 expands on this requirement by determining that the Organization must ensure remuneration that meets at least three possible parameters: minimum standards for the forestry sector, recognized wage agreements, or living wages when these are higher than the legal minimum wage. In the absence of standards or agreements, it is up to the Organization to develop

	mechanisms, together with workers, to define living wages. Indicator 2.4.1 reiterates the requirement that wages comply, under all circumstances, with the legal minimum wage, while Indicator 2.4.2 reinforces that remuneration must always be equal to or higher than that stipulated in individual agreements, collective bargaining agreements, or legal instruments, with the higher amount prevailing. The standard's glossary defines the legal minimum wage as the minimum compensation due and paid directly by the employer to every worker, urban or rural, regardless of gender, per normal day's work, sufficient to meet the basic needs of food, housing, clothing, hygiene, and transportation, in accordance with Article 76 of the Consolidated Labor Laws (CLT) (Decree-Law No. 5,452/1943). Despite the robustness of the legal framework, the National Risk Assessment for Brazil identifies significant flaws in the application of the legislation, particularly in the rural and forestry sectors. Oversight carried out by the Ministry of Labor and Employment is insufficient to ensure universal compliance with the standards, and there are reports of recurring violations related to non-payment of the minimum wage, delays, or fraudulent practices. The FSC-NRA-BRA V1-0 standard, through Indicator 1.12 – Legal Employment, establishes that wages paid to workers must meet or exceed the legal minimum wage. Although Brazilian legislation, centered on the Consolidation of Labor Laws (CLT – Decree-Law No. 5,452/1943), guarantees rights such as minimum wage, limited working hours, rest periods, paid vacations, and maternity leave, the standard classifies this indicator as a risk determined at the national level. This classification stems from insufficient inspections by the Ministry of Labor and Employment to ensure compliance with the law, especially in the rural sector, as well as frequent reports of slave-like conditions and other labor rights violations in the forestry sector, a situation corroborated by the World Bank's "Rule of Law" index. Given the high probability of non-compliance with these rights, the standard adopts the precautionary principle, requiring the organization to conduct field checks to confirm that all workers are employed in accordance with the law, that contracts and payment of taxes are properly recorded, that minimum pay is being paid according to the professional category, that the legal minimum age is respected, and that no child labor or slavery-like practices occur in timber harvesting and transportation activities. Thus, although clear legislation exists, the standard identifies a real risk of non-compliance, requiring active monitoring to ensure that wages paid to workers are compliant with the law and labor rights. Although the legislation provides sufficient protection, its practical application is inconsistent, especially in the forestry sector, requiring additional control and verification measures by organizations, and becoming a "specified risk."
Risk Rating	Specified Risk

Brazil **903,892**	**Indicator**
4.1.6	Working hours shall comply with legal requirements.

Supply Base Verifiers	□ Pay slips. □ Time cards. □ Formal monitoring of work hours, including daily records of hours worked and overtime. □ Internal policy on compliance with mandatory breaks and rest periods. □ Supervisor and employee training on applicable labor laws. □ Periodic internal and external audits to verify compliance with the Consolidation of Labor Laws (CLT) and FSC requirements. □ Timesheets or systems for tracking time and overtime reports. □ Documentation of breaks and rest periods granted, including compensatory time off and time banked. □ Records of night shift and overtime pay. □ Internal and external audit reports attesting to compliance with legal and FSC requirements.
Risk Rating justification	Brazilian law establishes a robust legal framework for regulating working hours, aiming to protect the health, safety, and rights of workers. The Consolidation of Labor Laws (CLT – Decree-Law No. 5,452/1943) defines the maximum working day as 8 hours and 44 hours per week, with mandatory overtime pay at a minimum 50% premium to the normal hourly rate. Time banking is permitted by written agreement. There must be a minimum break of 11 hours between consecutive shifts, and the law provides for intra-shift breaks of 15 minutes to 2 hours, depending on the length of the shift. Night work (10 p.m. to 5 a.m.) receives a minimum 20% premium, and every worker is entitled to 24 hours of paid weekly rest, preferably on Sundays. Special regimes and part-time work are covered by law, as are supplementary ILO standards and collective agreements. Despite this legal framework, oversight, especially in the rural sector, presents gaps, as evidenced by notifications from the Ministry of Labor regarding working hours. The FSC standard for Plantations in Brazil establishes that the Organization must ensure that its employees' working hours fully comply with legal requirements, particularly the Consolidation of Labor Laws (CLT, Decree-Law No. 5,452/1943), local regulations and applicable codes of practice, as well as international conventions and treaties ratified by the country. This compliance involves not only observing maximum working hours but also ensuring adequate rest periods, including breaks during the workday, sufficient time for meals, and daily and weekly rest periods. Compliance with working hours is closely linked to occupational health and safety, requiring the Organization to implement practices and measures that protect workers from risks related to fatigue and overload, in accordance with ILO recommendations on Occupational Safety and Health in Forestry. In short, non-compliance in this area poses a significant risk of legal violations, negative impacts on workers' health and safety, and potential regulatory sanctions. It is essential that the Organization maintains rigorous controls to monitor and ensure that working hours are always in compliance with current legislation. The FSC-NRA-BRA V 1-0 standard, in Indicator 1.12 "Legal Employment," addresses the compliance of working hours with legal requirements, recognizing the Consolidation of Labor Laws (CLT, Decree-Law No.

	5,452/1943) as the primary reference for maximum working hours, rest periods, paid vacations, and other labor guarantees. Despite the existence of this legislation, the indicator is classified as a specific risk nationwide, given that inspections by the Ministry of Labor and Employment (MTE) are insufficient to ensure compliance with the law, especially in the forestry sector. Data from the Labor Inspection Secretariat recorded 552 notifications over the last three years related to working hours in agricultural, forestry, and fishing activities, highlighting frequent and systematic violations. Applying the precautionary principle, the standard requires mandatory control measures, such as on-site inspections to ensure that all workers are employed in accordance with the law and that contracts and workday records are available. Furthermore, recent amendments to the Consolidation of Labor Laws (CLT), by Law No. 13,467/2017, relaxed some legal obligations, reinforcing the need for continuous monitoring. In short, although clear legislation on working hours exists, the risk of non-compliance is high, making on-site inspections essential to ensure that working hours comply with legal requirements. Therefore, this risk is classified as specified.
Risk Rating	Specified Risk

Brazil 903,892	**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	Declaration of Commitments and Conduct. □ Pay slip. □ Consultation with Brazilian legislation (INSS). □ Formal occupational health and safety policies, including PCMSO and periodic examinations; □ Education programs and disease prevention campaigns; □ Documented procedures for compensation for illnesses and accidents; □ Periodic engagement with workers and unions regarding benefits and compensation; □ Internal and external audits to verify legal compliance and compliance with the FSC standard. □ Records of periodic medical examinations; □ Health plan contracts and employee coverage records; □ Reports of health and prevention campaigns; □ Records of complaints, claims, and compensation paid; □ Evidence of meetings and consultations with workers and unions; □ Records of occupational medical examinations and health programs implemented. □ Health plan contracts and proof of employee membership. □ Documentation of absences and benefits paid (sick pay, retirement, survivor's pension, accident benefit). □ Reports of workplace accidents and occupational diseases, with evidence of investigation and compensation. □ Evidence of communication regarding health campaigns and training on

	labor rights. □ Records of mandatory reporting to the INSS (National Institute of Social Security) and the Ministry of Labor. □ Results of internal/external audits and inspections.
Risk Rating justification	Brazilian law guarantees workers access to healthcare, sickness benefits, retirement benefits, disability benefits, survivor's pensions, and compensation for occupational accidents or diseases, establishing constitutionally protected rights regulated by specific laws. The Unified Health System (SUS), as per articles 200 and 201 of the Federal Constitution, ensures universal healthcare, including formal and informal workers. For formal workers, Law No. 8,213/1991 (Social Security Benefits Law) guarantees sickness benefits to workers temporarily unable to perform their duties, with paid leave covered by the INSS after the minimum qualifying period. Regarding retirement and disability benefits, the Federal Constitution and Law No. 8,213/1991 establish that workers who contribute to Social Security are entitled to retirement based on length of service, age, or disability. Disability benefits are granted when the worker is no longer able to perform their work activities due to illness or accident. Death benefits, also regulated by Law No. 8,213/1991, provide a pension to the dependents of the deceased worker. Compensation for workers for occupational accidents or illnesses is provided for in Law No. 8,213/1991 (accident benefits and compensation) and the Consolidation of Labor Laws (CLT), which establishes obligations for employers regarding accident prevention, maintenance of a safe environment, and compensation in the event of work-related accidents or illnesses. Companies must keep accident records and report incidents to the INSS (National Institute of Social Security) and the Ministry of Labor, in accordance with Regulatory Standards, such as NR 07 (occupational medical examinations) and NR 31 (occupational health and safety in agricultural and forestry activities). The FSC standard reinforces that organizations must have mechanisms in place to resolve complaints and provide fair compensation for losses, damages, accidents, or occupational illnesses. Despite comprehensive legislation, oversight is not always consistent, and there is a risk of violations. This reinforces the need for internal systems that ensure legal compliance and adequate compensation. The FSC standard for Plantations in Brazil establishes that workers must have access to healthcare, sickness, retirement, disability, death, and compensation benefits, based on national legislation and occupational health, safety, and grievance resolution requirements. Compliance with these requirements seeks to minimize risks to the health, safety, and well-being of workers, guaranteeing legal rights and promoting responsible organizational practices. The Organization must ensure that all workers have access to health and dental insurance, including its own employees, and, where possible, encourage service providers to offer equivalent benefits to their workers. Information on public health services, prevention campaigns, and dental care must be made available, and workers must be given time to access these

	services by prior arrangement. Workers are required to undergo periodic occupational health examinations, including specific examinations when there is exposure to chemical pesticides. Larger organizations must implement medical and/or dental health programs and educational campaigns, while SLIMFs must promote information campaigns. Applicable legislation includes the Federal Constitution, regulations of the Unified Health System (SUS), and Regulatory Standards related to the Occupational Health Medical Control Program (PCMSO). The standard also requires the organization to comply with labor and social security laws, guaranteeing legal benefits such as sick pay, retirement, accident-related sick pay, disability retirement, and survivor's pension. The main applicable laws include Decree No. 3,048/1999, Laws No. 8,212/1991 and 8,213/1991, and Law No. 13,134/2015, which together form the basis of Brazilian Social Security. In addition, the organization must implement mechanisms to resolve grievances and provide fair compensation to workers who suffer occupational illnesses or injuries resulting from work. This compensation must be proportionate to the severity of the harm and developed through culturally appropriate engagement with workers and/or unions. It includes coverage for work-related property damage, occupational illnesses, and deaths, with compensation understood as remuneration proportional to the magnitude and type of service provided or harm suffered. The risk of non-compliance with the FSC standard and Brazilian legislation includes inadequate exposure of workers to health risks, lack of access to legal benefits, and insufficient compensation for occupational illnesses or accidents. To mitigate these risks, the Organization must not only must the company comply with legislation, but it must also actively implement health and safety programs, educational campaigns, formal compensation policies, ongoing engagement with workers and unions, and internal and external audits to verify compliance. The FSC-NRA-BRA V 1-0 standard establishes that workers must have access to health care provisions, sickness, retirement, disability, death, and compensation benefits, addressing these rights primarily in Indicators 1.12 ("Legal employment") and 2.2 ("Respected labor rights, including the ILO Fundamental Principles and Rights at Work"). In Brazil, the legal framework guaranteeing these rights is broad, encompassing Social Security (Decree No. 3,048/1999), the National Social Security Institute (INSS), and the Consolidation of Labor Laws (CLT), which guarantee retirement, disability, sickness, survivor's pension, paid vacation, maternity leave, minimum wage, and other guarantees, in addition to instruments such as the FGTS (FGTS) (Law No. 8,036/1990) and unemployment insurance (Law No. 13,134/2015). The legislation also provides for occupational health and safety conditions, including the provision of Personal Protective Equipment (PPE) and occupational medical examinations (Occupational Health Certificate – ASO), essential for preventing physical, chemical, and biological risks. Despite the legal framework, both Indicators 1.12 and 2.2 are classified as a determined risk throughout the country, given the history of labor rights violations, including forced labor, insufficient oversight by the Ministry of Labor and

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

Brazil 903,892	**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	□ Participant feedback or learning assessments, when applicable, to verify content assimilation. □ Annual plan review reports demonstrating content updates as management systems change. □ Reports of individual training conducted for specific needs. □ Records of training announcements or communications, such as emails sent to participants. □ Annual and revised training plans, including schedule, topics, and target audiences. □ Photographic evidence or records of activities performed during the training. □ Content taught and materials distributed, including presentations, handouts, or manuals. □ Attendance lists and training participation records. □ SBP and CoC training. □ Operator training.
Risk Rating justification	Connexion Export fully complies with Indicator 4.1.8 of SBP Standard 1 – Raw Material Compliance, which establishes that training must be provided to all workers to enable them to implement the conditions relevant to their responsibilities. The objective of this indicator is to ensure that all employees and service providers possess the knowledge, skills, and abilities necessary to perform their duties effectively, safely, and in compliance with applicable standards and regulations. To meet this requirement, Connexion Export has implemented an annual

	training schedule, ensuring that everyone involved in the process, including internal staff, consulting partners, service providers, and suppliers, receives adequate instruction on the SBP System and their specific responsibilities. Preferably held in November, the training sessions are conducted in an expository, explanatory, dialogic, and interactive format, with topics defined jointly with the participating groups, also allowing for individual training for specific needs requested by managers. Training is delivered by qualified professionals or partner companies, such as RDK Logs, who possess the technical knowledge, skills, and expertise to convey essential content. Audiovisual resources and printed materials are used to reinforce learning, and all content is recorded and maintained in formal documentation, including attendance lists, emails, photographic evidence, and records of the content delivered, ensuring traceability and proof of compliance with SBP requirements. Connexion Export's training plan covers all activities carried out internally and by third-party partners, ensuring compliance extends throughout the entire operational chain. Relevant personnel are immediately informed of any changes to management systems, ensuring that updates are effectively communicated to all involved. The target audience for training includes: • Internal staff (administrators and managers): responsible for overseeing legal and anti-corruption compliance and the implementation of SBP System procedures; • Consulting partner (RDK Logs): responsible for internal audits, guidance on legislation, and specific SBP training; • Service providers: responsible for performing operational tasks in accordance with Connexion Export policies and applicable standards, maintaining their own health and safety management systems; • Suppliers: informed about Connexion Export policies and SBP requirements, especially related to the Due Diligence System. Connexion Export annually reviews the "Training Procedure and Plan" to ensure its effectiveness, promoting continuous improvement of operations, worker safety, and compliance with all relevant elements of the SBP Standard. In this way, the organization ensures that all employees, partners, and contractors are properly trained to perform their duties, contributing to the efficiency, safety, and compliance of its forestry operations.
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
4.1.9	Mechanisms shall be in place for resolving grievances and disputes in the workplace.
Supply Base Verifiers	□ SBP Manual Procedure. □ Appendix D - Complaint Recording and Analysis. □ SAGRES Reporting Channel - Secure Contact. □ Stakeholder Engagement Plan.
Risk Rating justification	Connexion Export presents a low risk when it comes to managing workplace

	complaints and disputes, as it has documented and effective mechanisms in place to receive, analyze, and resolve comments and complaints related to its Management System, products, the Supply Base Report (SBR), and SBP certification. The documented procedure for handling comments and complaints is part of the organization's Stakeholder Engagement Plan and is available upon request. It includes not only the receipt and recording of all complaints but also the detailed investigation of any nonconformities, with corrective actions implemented when necessary. RDK Logs, responsible for implementing the procedure, ensures that each complaint is: • Acknowledged to the complainant; • Reviewed and analyzed to determine appropriate actions; • Responded to effectively address the concerns of affected stakeholders; • Monitored for the effectiveness of corrective actions; • Reported to SBP, when applicable, within the established timeframes. Furthermore, the procedure allows for a preliminary assessment of the substantiality of complaints (Appendix D), ensuring that only relevant cases are addressed with due attention, avoiding delays or unnecessary effort. Thus, Connexion Export demonstrates full compliance with the requirement for mechanisms to resolve workplace complaints and disputes, ensuring transparency, traceability, effective corrective actions, and appropriate communication with all stakeholders, qualifying as "low risk" for this indicator.
Risk Rating	Low Risk

Brazil 903,892	**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	□ Health and Safety Programs for Service Providers. □ ISO 45001:2018 for Occupational Health and Safety Management □ Regular worker training on safety standards, PPE use, accident prevention, and occupational health. □ Specific training programs for underage workers, ensuring they do not perform unhealthy or nighttime activities. □ Periodic evaluation of machinery, implements, and tools to ensure safe operation. □ Implementation of accident prevention, ergonomics, and health hazard control programs, and monitoring of chemical exposure. □ Access to medical services and first aid in the workplace. □ Updated labor inspection records. □ Formal employment contracts and Consolidation of Labor Laws (CLT) records. □ Training records and certifications. □ Up-to-date Certificate of No Labor Debts.

	□ Periodic internal occupational safety audits. □ Number of accidents and incidents recorded. □ Record of correct use of PPE and adherence to safety procedures. □ Monitoring of environmental conditions and exposure to chemical, physical, and biological risks. □ Verification of compliance with applicable regulatory standards, especially NR 31 (agriculture, forestry, and forestry)
Risk Rating justification	Adequate occupational health and safety conditions are requirements set forth in the Regulatory Standards (NR) of the Ministry of Labor and Employment (MTE). There are 36 NRs in force in total. All were established by MTE Ordinance No. 3,214 of 1978. NR 31 addresses Occupational Health and Safety in Agriculture, Livestock, Forestry, Logging, and Aquaculture, addressing specific working conditions in forestry activities. It addresses issues related to pesticides, the environment and waste, hand tools, safety of agricultural machinery and implements, worker transportation and accommodation, cargo transportation, and rural buildings. MTE Ordinance No. 3,158 of 1971 establishes the mandatory labor inspection log, a standardized document to be maintained by all companies, through which the labor auditor keeps records of verified activities at the company. The Ministry of Labor and Employment (MTE), through the Department of Labor Inspection, provides an online system for issuing Certificates of Non-Existence of Labor Debts (CNDT) (Ordinance No. 1,421/2014), which allows interested parties to issue and authenticate certificates regarding the existence of labor lawsuits against a specific legal entity. Forestry activity is classified, according to the National Classification of Economic Activities (CNAE), contained in Regulatory Standard No. 4 of the SESMT (Specialized Services in Safety Engineering and Occupational Medicine), as risk level 3 for plantations and 4 for native forests. The Risk Level is a numerical value ranging from 1 to 4, referring to the intensity of the risk of a company's main economic activity (4 is the highest risk). Brazil has a comprehensive legal framework regarding the legality of employment. Decree-Law No. 5,452/1943 (Consolidation of Labor Laws – CLT) contains the main guidelines on this subject. Article 41 stipulates that all workers must be registered by their employer. Other worker rights are also covered, such as maximum permitted working hours, rest periods, paid vacations, minimum wage, maternity leave, and other guarantees, in addition to the sanctions applicable to employers who violate the stipulated standards. Other sections contain rules related to working hours, paid rest, child labor, women's labor, compensation, unionization, and other matters. Regarding the minimum working age, the law stipulates that children under 16 are prohibited from working, except as apprentices aged 14 or older. Children are prohibited from working in unhealthy conditions and working at night. Other labor rights are provided for in the following regulations: Law No. 13,134/2015 (unemployment insurance); Law No. 8,036/1990 (Service Time Guarantee Fund – FGTS); Law No. 4,090/1962 (Christmas bonus); Law No.

	605/1949 (paid weekly rest). Also noteworthy is Decree No. 3,048 of May 6, 1999, which regulates Social Security. Law No. 5,889 of June 8, 1973, establishes specific rules for rural work. Subcontracting is included in the Civil Code and is understood as the provision of services not subject to the Consolidation of Labor Laws (CLT). Subcontracting is understood by law as a legal form of contract, for a defined period and restricted to the contracting party's core activities. Law No. 13,467/2017 recently amended several provisions of the Consolidation of Labor Laws (CLT), making various issues regarding the parties' obligations more flexible. The changes to the CLT came into effect at the end of 2017. Law No. 13,445/2017, which deals with immigration policy, aims to guarantee migrants free and equal access to work, providing for the issuance of visas in cases of previously established employment relationships.
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
4.2.1	Negative social and community impacts shall be identified and avoided.
Supply Base Verifiers	□ Analysis of field data and information. □ Dialogues with local leaders and residents. □ Overlay maps and reports. □ Records of consultations and meetings. □ Field inspection reports documenting impact mitigation. □ Records of consultations and meetings with communities. □ Contracts or evidence of community consent. □ Audit and field inspection reports. □ Analysis of georeferenced data (IBGE, FUNAI, INCRA, IPHAN, UNESCO) to identify archaeological sites and culturally sensitive areas near supply areas. □ Consultations with affected parties to assess impacts on critical cultural values. □ Evidence of conflict resolution. □ Documentation of corrective actions and management adaptations. □ Public reporting of social and community outcomes.
Risk Rating justification	The FSC Forest Management Standard for Plantations in Brazil establishes that negative social and community impacts must be identified, assessed, and avoided. The organization responsible for management must map local communities and traditional peoples within or surrounding the Management Unit, considering those who may be directly or indirectly affected by forestry activities. This identification should include risk analyses commensurate with the scale, intensity, and complexity of operations, integrating existing data and information collected directly from communities through culturally appropriate engagement. The management plan should reflect the results of

	these assessments, highlighting the main social and environmental risks in the area. Culturally appropriate engagement consists of communication, consultation, and participation processes with affected communities, ensuring the inclusion of women, youth, elders, and minorities, as well as representatives of local institutions and experts. Meetings should be recorded, with minutes approved by participants, and the results shared transparently. This engagement serves as a basis for both identifying impacts and developing mitigation strategies, allowing communities' concerns and expectations to be incorporated into management decisions. Based on the impact assessment, the organization must implement measures to avoid, mitigate, and remediate negative social, environmental, and economic effects. These measures must be proportional to the severity of the identified risks and documented in the management plan. Furthermore, continuous monitoring of social impacts is mandatory, including conflict resolution, impacts of transportation and operations, relationships with traditional peoples, protection of sites of cultural or religious significance, use of traditional knowledge, and local economic development. Monitoring results must be analyzed and used for adaptive adjustments in management planning, ensuring continuous improvement of practices. To support assessments, the standard recommends analyzing various data sources, such as organizational records, environmental studies (EIA-RIMA), internal diagnostics, shapefiles and environmental zoning, Rural Environmental Registry (CAR), data from official institutes (IBGE, FUNAI, INCRA, IPHAN, SIGEP), and information collected directly from communities. The analysis includes spatial and geostatistical methods, field verification, and interviews, integrating existing data and direct dialogue with those affected. The FSC National Risk Assessment (NRA) for Brazil addresses the identification and prevention of negative social and community impacts, focusing on areas classified as Controlled Wood 2, related to logging that violates traditional and human rights, and Controlled Wood 3, related to forests with high conservation values under threat. The risk to the rights of indigenous and traditional peoples, as well as to the needs and cultural values of communities, is considered determined throughout the national territory. The assessment combines data analysis, mandatory stakeholder consultations, and field verifications to ensure compliance with legislation and good management practices. Regarding the rights of indigenous peoples and traditional communities, the NRA emphasizes that, despite current legislation, the identification and effective protection of these populations is complex due to their geographic dispersion and self-declaration. The risk is considered high due to the confirmed presence or high probability of indigenous peoples in these areas, as well as evidence of frequent rights violations. Mitigating this risk involves analyzing data from official agencies and local associations, consulting with leaders and residents in nearby or overlapping areas, and conducting field checks to ensure that forest management occurs with the formal consent of communities or in accordance with government guidelines. Regarding the needs of communities, especially those that depend on areas

	and resources essential for subsistence, food, water, and health, the ANR notes that many critical areas are located near or overlap with timber supply areas. Due to the scarcity of accurate data and frequent violations of rights, the risk is classified as determined. The assessment is conducted by cross-referencing georeferenced information from agencies such as IBGE, FUNAI, and INCRA, consulting with affected communities to identify potential negative impacts, and conducting field visits when these consultations indicate a potential risk, ensuring that management does not compromise essential resources. Regarding cultural values, the ANR considers areas, resources, and landscapes of cultural, archaeological, or historical significance, of global or national importance, or of significant critical to the traditional culture of local communities, indigenous peoples, or traditional peoples. Identifying these areas is complex due to the cultural diversity and dispersion of communities, and the risk is classified as determined throughout the country. Mitigation includes the analysis of georeferenced data on archaeological sites, cultural heritage, and areas of community importance, consultations with affected parties to assess potential negative impacts, and field verifications when these consultations indicate risk. In general, the FSC's ANR for Brazil reinforces that all negative social and community impacts must be identified and avoided. The assessment process combines data analysis, direct dialogue with stakeholders, and field inspections, ensuring that forest management respects the rights of indigenous and traditional peoples, meets the essential needs of communities, and preserves critical cultural values, in accordance with legislation and best management practices.
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
4.2.2	Feedstock sourcing shall positively contribute to the local economy, including employment.
Supply Base Verifiers	Historical data on exports of roundwood and wood chips, which demonstrate the company's economic contribution. Dialogues with local leaders and residents, and consultations with organizations, ONGs, and city halls.
Risk Rating justification	Chip exports represent an important source of foreign exchange for the exporting country and contribute to the development of the forestry production chain. The company creates long-term relationships with customers and extends its actions with social, environmental, and economic benefits to society.
Risk Rating	Low Risk

Brazil 903,892	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	□ Analysis of the Rights of Indigenous Peoples and Traditional Communities. □ Signed FPIC documents and records of meetings with communities. □ Updated maps and registries of Indigenous and Quilombola lands and areas of influence. □ Internal or external audit reports on compliance with human and cultural rights. □ Records of training conducted and frequency of team participation. □ Protocols and opinions from IBAMA, FUNAI, FCP, or IPHAN related to licensing. □ Assessment of socioeconomic and environmental impacts prior to the start of activities. □ Specific impact mitigation plans for affected communities. □ Establishment of communication channels for registering complaints and compensation requests. □ Implementation of fair compensation mechanisms, proportional to the identified impact. □ Approved environmental and social impact assessments (EIA/RIMA). □ Monitoring and monitoring reports on impacts and mitigation measures. □ Records of response to complaints, claims, or compensation requests. □ Evidence of corrective actions implemented when necessary. □ Consultations to verify supplier compliance. □ Identification and mapping of HCVs essential for local communities. □ Definition of protection zones within the forest management area. □ Continuous monitoring of resource use in HCVs and impacts on livelihoods. □ Promotion of community engagement in HCV management. □ Georeferenced HCV maps and monitoring records. □ Internal inspection reports on the conservation status and use of HCVs. □ Meeting minutes and records of engagement with local communities. □ Evidence of corrective actions when the use or conservation of HCVs is compromised. □ Monitoring the quality and quantity of water resources available to communities. □ Restricting activities that may compromise the availability of water or food. □ Ensuring access to natural resources for basic consumption and food security. □ Controlling the sustainable use of productive areas and non-timber forest resources (NTFPs).
Risk Rating justification	Brazilian legislation, both at the federal and state levels, provides a regulatory framework for meeting the indicator, which requires maintaining or improving the supply of food, water, or High Conservation Value Attributes (HCVs) essential for the basic needs of communities, as well as ensuring that traditional and human rights are not violated. However, the practical application of these laws faces significant challenges, resulting in a "specified

	risk" to compliance in several social and rights-related areas. In terms of protecting traditional and human rights, the 1988 Federal Constitution guarantees Indigenous peoples the inalienable possession of their lands and the exclusive right to use the natural resources present therein, and recognizes the ownership of quilombola lands. Furthermore, it protects the cultural heritage and ways of life of these different groups. Complementary legislation includes Decree No. 5,051/2004, which promulgates ILO Convention No. 169 on the Rights of Indigenous and Tribal Peoples, the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), and Decree No. 6,040/2007, which establishes the National Policy for the Sustainable Development of Traditional Peoples and Communities (PNPCT). Decree No. 4,887/2003 regulates the identification, demarcation, and titling of quilombola lands, reinforcing the inalienability and imprescriptibility of these territories. The principle of Free, Prior, and Informed Consent (FPIC) is fundamental, requiring that any activity affecting the rights of traditional peoples obtain the informed consent of the communities before beginning management or any restriction on the use of land or biological resources. Furthermore, environmental licensing, regulated by Federal Law No. 15,190/2025 and the Rio Grande do Sul State Environmental Code (Law No. 11,520/2000), provides for social participation and public hearings for activities that impact the environment, including cases of population displacement. Projects near Indigenous or Quilombola lands must be notified to IBAMA for consultation with agencies such as FUNAI, FCP, and IPHAN, and an environmental impact study (EIA/RIMA) may be required. The legislation also provides guidance on impact minimization and compensation. Companies must identify, avoid, and mitigate significant negative social, environmental, and economic impacts, propose mechanisms for resolving grievances, and provide fair compensation to affected communities. In native forest management, the identification and control of socioeconomic and environmental impacts is mandatory. Regarding the maintenance or improvement of essential resource supplies, the legislation provides for the protection of water, food, and HCVs. The Rio Grande do Sul State Environmental Code recognizes water as an indispensable natural resource and prioritizes public supply. State regulations waive the requirement for water abstraction permits for basic needs, provided that registration and monitoring are carried out. The New Forest Code (Law No. 12,651/2012) allows access to Permanent Preservation Areas (APPs) for water collection without compromising the regeneration of native vegetation. Food security is protected by the Atlantic Forest Law (Law No. 11,428/2006), which allows agricultural production and the collection of forest byproducts for small producers and traditional communities, guaranteeing priority and free review of applications. The PNPCT also recognizes food security as a goal. The 5 HCVs, which are essential sites and resources for the subsistence, health, and nutrition of communities, are protected by the National System of Conservation Units (Law No. 9,985/2000), which creates specific categories to ensure the sustainable use of natural resources by traditional communities. The Convention on Biological Diversity (CBD) reinforces the importance of

	conserving biodiversity and ecosystem services, such as water and food, to meet the needs of communities. The New Forest Code complements this protection by promoting the sustainable use of native vegetation. Although the legislation is comprehensive, practical implementation faces challenges, such as the country's territorial extent, community diversity, limitations of regulatory agencies, bureaucracy in land demarcation, and the recurrence of conflicts and violence in rural areas. Cases of disrespect for traditional rights and violence against Indigenous people have been reported, highlighting that formal compliance with the law does not automatically guarantee effective compliance with the indicator. The FSC-STD-BRA-01-2025 Plantations standard helps meet the indicator "The supply of food, water, or HCVs that are essential to meet the basic needs of communities must be maintained or improved. The company does not engage in activities that violate traditional and human rights" through principles, criteria, and indicators that address the identification and maintenance of High Conservation Values (HCVs), respect for the rights of workers, Indigenous Peoples, and local communities, and the management of social impacts. The standard directly addresses the provision of food, water, and essential HCVs through HCV 5 – Community Needs, defined as places and resources essential to meeting the basic needs of local communities or Indigenous Peoples, including livelihoods, health, nutrition, and water. The organization must identify and record these attributes within the Management Unit, also considering external impacts, using culturally appropriate engagement with stakeholders and experts. After identification, strategies to maintain or enhance these resources must be developed, which must be implemented before any management activity that could generate negative impacts, applying a preventive approach. Continuous monitoring allows for adjustments to strategies and ensures the effective protection of these resources. Furthermore, the standard provides for the guarantee of food and water to workers in quantities and quality compatible with their activities. The FSC standard is built on respect for human and traditional rights, as per Principles 1 to 4. The organization must comply with all applicable international laws, treaties, and conventions, identifying, preventing, and resolving disputes over statutory or customary rights, and may suspend activities or exclude areas from certification in cases of significant conflicts. Workers' rights are protected, including the prohibition of forced or child labor, freedom of association and collective bargaining, non-discrimination, and the provision of grievance mechanisms and fair compensation. The rights of Indigenous Peoples are recognized and upheld, including the right to tenure and use of lands and resources, requiring Free, Prior, and Informed Consent (FPIC) for any delegation of control, as well as the protection of culture, traditional knowledge, intellectual property, and sites of special significance, with compensation and restitution where necessary. Local communities and traditional peoples also have their rights identified and defended, including the prevention and mitigation of negative impacts, grievance resolution and compensation mechanisms, and the protection of sites and knowledge of special significance.

	The FSC National Risk Assessment (NRA) standard for Brazil helps meet the indicator of maintaining the supply of food, water, or High Conservation Values (HCVs) essential to the basic needs of communities, as well as ensuring that the company does not engage in activities that violate traditional and human rights. This is achieved through various categories of controlled timber, their indicators, and specific control measures. The NRA's forecasts for these issues are predominantly of Determined Risk throughout the country, meaning that the standard establishes mandatory control measures to mitigate these risks. Regarding maintaining the supply of essential resources for communities, this aspect is directly addressed in Indicator 3.5: HCV 5 – Community Needs. HCV 5 refers to areas and resources essential to meeting the basic needs of local communities or indigenous populations (such as food, water, and health), identified in cooperation with these communities. The ANR recognizes that communities' dependence on natural resources is complex, but assumes that small rural, traditional, and indigenous communities depend more directly on these resources. Indicator 3.5 is classified as a Determined Risk for the entire country, based on evidence of threats to basic services provided by forests, including land conflicts and restricted access to natural resources. Mandatory control measures include: • Comparing controlled timber supply areas with areas of local communities, indigenous, or traditional populations to verify overlaps or proximity within 10 km, using information from agencies such as IBGE, FUNAI, and INCRA; • Consulting affected parties in cases of overlap or proximity to ensure that management does not negatively impact essential areas and resources; • Conducting field visits when the consultation indicates possible adverse impacts. Regarding human and traditional rights, the ANR addresses different categories and indicators. In Category 2 – timber harvested in violation of traditional and human rights, the following stand out: • 2.1 Violent armed conflicts: Determined risk for native forests; Low risk for plantations. Mandatory control measure: Verify reports of violent conflicts to ensure that the sourcing area is not directly or indirectly involved. • 2.2 Labor rights: Determined risk nationwide, involving labor analogous to slavery and child labor. Mandatory control measures include field verifications of freedom of association, collective bargaining, and the absence of discrimination and child labor. It is also recommended to submit certificates and procedural information. • 2.3 Rights of Indigenous and Traditional Peoples: Determined Risk for the entire country. Mandatory control measures include cross-referencing information on supply areas and indigenous/traditional territories, stakeholder consultations, field verifications, and proof of consent or management by the communities themselves. Notification to FUNAI is recommended in cases of overlap. In Category 1 – illegally harvested timber, indicators such as land tenure and use rights (1.1), customary rights (1.13), free, prior, and informed consent – FPIC (1.14), and indigenous peoples' rights (1.15) also present Determined

	Risk. Control measures include verification of ownership and possession documentation, consultations with interested parties, cross-referencing of geographic information, consultations with official bodies, and field checks to ensure legal compliance and respect for traditional rights.
Risk Rating	Specified Risk

Brazil 903,892	**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	□ Analysis of the rights of Indigenous Peoples and Traditional Communities. □ Consultation with interested and/or affected parties. □ Field verification. □ Identification and mapping of Indigenous, Quilombola, and traditional community lands in the areas of operation. □ Consultation and obtaining Free, Prior, and Informed Consent (FPIC) before any intervention or management in traditional territories. □ Implementation of internal procedures to respect cultural heritage and human rights standards. □ Ongoing training of staff on traditional rights, FPIC, and applicable environmental/social legislation. □ Monitoring environmental licensing processes with community participation. □ Signed FPIC documents and records of meetings with communities. □ Updated maps and registries of Indigenous, Quilombola, and areas of influence lands. □ Internal or external audit reports on compliance with human and cultural rights. □ Records of training conducted and frequency of team participation. □ Protocols and opinions from IBAMA, FUNAI, FCP, or IPHAN related to licensing.
Risk Rating justification	The issue of customary law, with regard to forest plantation activities, is limited to the issue of land ownership and use, as it is not directly related to other issues associated with the use of genetic or intellectual heritage of traditional populations, given that only planted species are used. Furthermore, there is no legislation regarding benefit-sharing in harvesting activities. The protection of the rights of ownership, use, and access to territories by Indigenous Peoples and local communities in Brazil is supported by a broad legal framework, which combines constitutional provisions, infra-constitutional legislation, decrees, resolutions, and international reference standards. The 1988 Constitution of the Federative Republic of Brazil is the central framework of this system, establishing, in Title VII, Chapter III, agricultural and land policies, as well as agrarian reform; in Article 225, the obligation of the Government to preserve the environment through the creation of protected areas; Article 231 guarantees the permanent and inalienable possession of lands traditionally occupied by Indigenous peoples and the exclusive right to use their natural resources; Article 68 of the Transitional Constitutional Provisions Act (ADCT) recognizes ownership of

	lands occupied by quilombola communities; and Article 216 recognizes the valorization of the tangible and intangible cultural heritage of Brazil's various social groups, including forms of expression, ways of life, and traditional knowledge. The Indigenous Peoples' Statute (Law No. 6,001/1973) reinforces the right of Indigenous peoples to preserve their culture, to voluntarily reside in their territories, and to enjoy natural resources. This framework is interconnected with the SNUC Law (Law No. 9,985/2000), which, by establishing Conservation Units, recognizes the importance of traditional populations, ensures their participation in management, and provides mechanisms for compensation and indemnification in the event of rights restrictions. Other laws, such as the Atlantic Forest Law (Law No. 11,428/2006) and the New Forest Code (Law No. 12,651/2012), reinforce the protection of native vegetation and include specific provisions for traditional populations and indigenous lands, ensuring differentiated procedures, exemptions from technical requirements, and protection against predatory exploitation of species essential to subsistence. The recognition of collective possession and use is further regulated by decrees, such as No. 1,775/1996, on the demarcation of indigenous lands; No. 4,887/2003, on the titling of quilombola lands; and No. 5,051/2004, which internalizes ILO Convention 169, establishing the right to Free, Prior, and Informed Consent (FPIC) for any decision affecting traditional lands or resources. The National Plan for Protected Areas (Decree No. 5,758/2006) expands the appreciation of ethnic and cultural diversity in environmental management, while CONAMA Resolutions No. 369/2006 and No. 425/2010, as well as MMA Normative Instruction No. 5/2009, ensure the classification of sustainable practices of traditional peoples and communities as being of social interest, especially in agroforestry management and ecological restoration. In the field of international and voluntary standards, the FSC Forest Management Standard for Plantations in Brazil (FSC-STD-BRA-01-2025) stands out, establishing specific guidelines for the recognition, defense, and protection of legal, customary, and traditional rights. This standard requires documented identification of property, possession, and use rights, respect for FPIC, the conclusion of binding agreements, the protection of traditional knowledge and sites of cultural value, as well as mechanisms for engagement, mediation, and conflict resolution. In parallel, the FSC National Risk Assessment (FSC-NRA-BRA V1-0) indicates that, although Brazilian legislation is comprehensive, its effectiveness is compromised by enforcement failures, corruption, insufficient oversight, and systematic violence against communities, classifying most indicators related to these rights as "determined risk." Thus, it appears that, although Brazil has a robust set of regulations to ensure the protection of Indigenous Peoples and local communities, in practice, the effectiveness of these rights depends on implementation, oversight, and social engagement tools, in addition to the adoption of best practice standards such as those of the FSC. The central challenge lies not only in the existence of standards, but also in their concrete implementation,

	the effective recognition of the value of traditional knowledge, and the strengthening of the participation of these communities in decisions that affect their territories and ways of life. • Applicable regulations: Constitution of the Federative Republic of Brazil of 1988 Law No. 4,504 of 1964 (Land Statute) Law No. 6,001 of 1973 (Indigenous Statute) Law No. 6,938 of 1981 (National Environmental Policy) Law No. 9,985 of 2000 (National System of Nature Conservation Units - SNUC) Law No. 11,428 of 2006 (Atlantic Forest Law) Law No. 12,651 of 2012 (New Forest Code) Law No. 13,123 of 2015 Decree No. 6,040 of 2007 Decree No. 1,775 of 1996 Decree No. 4,887 of 2003 Decree No. 5,051 of 2004 CONAMA Resolution No. 425 of 2010 FSC-STD-BRA-01-2025 Plantations FSC-NRA-BRA_PT_V1-0
Risk Rating	Specified Risk

Brazil 903,892	**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	□ Complaint Registration and Analysis Procedure (Appendix D). □ Email communication channel (coordenacaorig@connexionexport.com.br). □ Verify land ownership/possession and use documentation, such as: management contracts, Rural Environmental Registry (CAR), Rural Property Tax (ITR), Full-Text Certificate of Real Estate Registration, and operating licenses. □ Consult reports from agencies and organizations (e.g., Pastoral Land Commission – CPT) on land disputes. □ Consult interested and/or affected parties to confirm the absence of conflicts. □ Use specialized maps/documents to identify potential sources of conflict, considering the location of local communities, indigenous peoples, conservation units, and traditional communities. □ Official property registration documents. □ Reports from NGOs or government agencies on land disputes. □ Evidence of stakeholder consultations and dialogue records. □ Cross-reference information to verify the existence of traditional populations in the vicinity of supply units (FUNAI, Palmares Cultural Foundation, IPHAN, local associations).

	□ Gather information on the existence or absence of conflicts (media, consultations with NGOs, city halls, unions, public agencies, associations). □ When there are signs of conflict, conduct field checks with affected communities. □ Official maps of traditional peoples' territories. □ Reports and consultations with stakeholders. □ Evidence of field visits or inspections.
Risk Rating justification	Connexion Export maintains a documented procedure for processing comments and complaints, with RDK Logs responsible for managing complaints. For certified supply areas, the FSC-STD-BRA-01-2025 Plantations standard establishes clear requirements for the existence of mechanisms for resolving complaints and disputes related to forest tenure and use rights, as well as other land management practices, ensuring that forest management is socially beneficial and environmentally sound. According to Principle 1, which addresses compliance with laws, the organization must identify, prevent, and resolve disputes involving statutory or customary law, preferably through extrajudicial means and in a timely manner, through engagement with affected stakeholders. To this end, the organization must have a documented mechanism that identifies and prevents conflicts or disputes, is culturally appropriate, and publicly accessible. Conflicts must be addressed promptly, and up-to-date records of the measures taken, the results obtained, and the reasons for any impasses should be maintained. In cases of major, long-lasting, or multi-interest disputes, management activities must be suspended or the areas excluded from the scope of certification. Principle 2 requires mechanisms to resolve worker grievances, including fair compensation for losses, property damage, occupational illnesses, or injuries. These mechanisms must be developed with culturally appropriate engagement, handle grievances according to defined procedures, and record all actions, outcomes, and compensation. Principle 3 emphasizes the protection of Indigenous Peoples' rights. Any violation of legal, customary, or cultural rights must be remedied, including fair compensation, through culturally appropriate engagement or dispute resolution mechanisms. This process must be aligned with international standards such as UNDRIP and ILO Convention 169. Principle 4 addresses local communities and requires that grievances and disputes regarding the impacts of management activities be resolved through public, culturally appropriate processes, and with a timely response. Up-to-date records of grievances, actions taken, and outcomes, including compensation, must be maintained. The information collected should serve to prevent future problems, and in cases of substantial disputes, operations should be suspended until resolution. Furthermore, dispute resolution mechanisms should be integrated into operational planning and monitoring, in accordance with Principles 7 and 8. The management plan should include programs and activities related to conflict resolution mechanisms, and engagement with stakeholders should be proactive and transparent. Social monitoring should assess the effectiveness of these mechanisms as part of adaptive management. The FSC standard

	requires organizations to implement documented, accessible, culturally appropriate, and effective mechanisms to resolve disputes and grievances, ensuring fair compensation where applicable. The existence and effectiveness of these mechanisms are an integral part of the planning, monitoring, and continuous improvement of management operations. For controlled timber areas, the FSC National Risk Assessment (NRA) for Brazil recognizes the importance of effective mechanisms to resolve complaints and disputes related to land tenure and use rights, as well as other forest management practices. The NRA notes that, although Brazilian legislation on land tenure and use is comprehensive, its enforcement presents significant flaws, generating frequent conflicts, including violence and invasions, especially in native forest areas. As a result, many indicators related to these issues are classified as Determined Risk, requiring strict control measures by organizations using controlled timber. For the category "Illegally Logged Timber – Third-Party Rights," the NRA highlights specific indicators: regarding land tenure and use rights, verification of documentation proving ownership and regular use (such as CAR, ITR, registration certificates, and operating licenses) is mandatory. It is recommended to consult reports from organizations such as the Pastoral Land Commission (CPT) and to conduct consultations with interested or affected parties to ensure that there are no land disputes. Maps and other specialized documents should be used to identify potential sources of conflict, considering local communities, Indigenous peoples, conservation units, and traditional communities. Regarding customary rights, the ANR indicates the need to gather information on the presence of traditional populations and potential conflicts, cross-referencing data official agencies (FUNAI, Palmares Cultural Foundation, IPHAN) and conducting field inspections when there are signs of conflict. Regarding Free, Prior, and Informed Consent (FPIC), the company must consult public agencies and traditional or indigenous communities to ensure that management on their lands is legal and approved by both parties. For indigenous peoples' rights, it is necessary to cross-reference information on the presence of these communities within 10 km of the supply units and consult with responsible agencies and stakeholders to confirm that land tenure and use rights are being respected. For the category "Timber harvested in violation of traditional and human rights," the ANR warns that violent conflicts are especially prevalent in native forests in the Amazon, while in plantations the risk is lower, limited to legal disputes. Mandatory measures include verifying conflict reports and confirming that management does not occur in areas of indigenous or traditional peoples without their consent or in violation of government guidelines. Consultations with stakeholders and field inspections are required to ensure compliance with the rights of these populations. The ANR also provides a specific mechanism for complaints related to its own National Risk Assessment. Any questions about the application of the standard can be sent to FSC Brazil (info@fsc.org.br), which will confirm receipt within two weeks and outline the deadlines and responsibilities according to its dispute

	resolution protocol. The FSC standard recognizes that existing mechanisms in Brazil to resolve land disputes are insufficient and that conflicts, including violent ones, are a reality. To mitigate this risk, companies must conduct rigorous due diligence, including documentary verification, consultations with communities, NGOs, and public agencies, as well as field inspections, ensuring the legality of land tenure and use, respect for customary and Indigenous rights, the application of FPIC, and the absence of violent violations against traditional communities.
Risk Rating	Low Risk

Brazil 903,892	**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	□ Mandatory consultation to ensure compliance with FPIC in areas adjacent to legally demarcated Indigenous or traditional lands. □ Analysis of the rights of Indigenous Peoples and Traditional Communities. □ Consultation with interested and/or affected parties. □ Field verification. □ Identification and mapping of Indigenous, Quilombola, and traditional community lands in the areas of operation. □ Consultation and obtaining of Free, Prior, and Informed Consent (FPIC) before any intervention or management in traditional territories. □ Implementation of internal procedures to respect cultural heritage and human rights standards. □ Ongoing training of staff on traditional rights, FPIC, and applicable environmental/social legislation. □ Monitoring of environmental licensing processes with community participation. □ Signed FPIC documents and records of meetings with communities. □ Updated maps and records of Indigenous and Quilombola lands and areas of influence. □ Internal or external audit reports on compliance with human and cultural rights. □ Records of training conducted and frequency of team participation. □ Protocols and opinions from IBAMA, FUNAI, FCP, or IPHAN related to licensing.
Risk Rating justification	Free, Prior, and Informed Consent (FPIC) is a central principle for protecting the rights of Indigenous Peoples, local communities, and traditional peoples, and is recognized in both national and international legal instruments and in forest certification standards, such as the FSC. In Brazil, the normative basis is anchored in legislation such as the 1988 Federal Constitution, which guarantees the territorial and cultural rights of Indigenous peoples (Articles 231 and 232); Decree No. 5,051/2004, which enacted ILO Convention No. 169, establishing the need for consultation and consent for decisions affecting

	their lands and resources; Law No. 11,284/2006, which prohibits forest management on demarcated Indigenous lands; and Decree No. 6,040/2007, which established the National Policy for the Sustainable Development of Traditional Peoples and Communities, recognizing these territories as spaces necessary for cultural, social, and economic reproduction. Furthermore, the Convention on Biological Diversity (CBD), ratified by Brazil (Legislative Decree No. 2/1994 and Decree No. 2,519/1998), and Decree No. 5,758/2006 (PNAP) reinforce the requirement for prior and informed consent for access to biological resources and traditional knowledge, as well as for any resettlement or land use restrictions. Within the FSC (Forest Stewardship Council), FPIC is treated as a fundamental normative requirement for certification, even though it is not listed as a law in Annex A of the national standards. The FSC Forest Management Standard for Plantations in Brazil (FSC-STD-BRA-01-2025) and reference documents such as Guide FSC-GUI-30-003 detail procedures to ensure a culturally appropriate, informative, and transparent process. FPIC should ensure that Indigenous Peoples and local communities maintain control over management activities in their territories and that any delegations to third parties occur only through formal, binding agreements, including clauses on duration, economic conditions, renegotiation, termination, and monitoring. These agreements should also provide for the protection of traditional knowledge and intellectual property, with appropriate compensation for their use. The FSC National Risk Assessment (FSC-NRA-BRA V 1-0) classifies FPIC as Indicator 1.14 in the "Illegally harvested timber" category and as an essential requirement in category 2 ("Timber harvested in violation of traditional and human rights"), assigning Brazil a Determined Risk due to weak legal enforcement, the occurrence of licensing fraud, and the persistence of territorial conflicts. This analysis demonstrates that, although the Brazilian legal framework and the international commitments signed by the country already establish the need for FPIC, its effectiveness is limited by the lack of clear mechanisms aimed at the private sector, partial implementation by public agencies, and cases of authorized forest management without the proper consent of affected communities. By requiring additional control measures—such as formal consultations with public agencies (FUNAI, INCRA, Palmares Foundation), documentary verification, and direct community participation in the decision-making process—the FSC seeks to fill these gaps and ensure greater legal and social security in forest management. In summary, FPIC serves as an indispensable mechanism for recognizing and defending the territorial, cultural, and self-determination rights of Indigenous Peoples and local communities. It is both a regulatory requirement for FSC certification and an obligation derived from national standards and international commitments undertaken by Brazil. • Applicable regulations: Constitution of the Federative Republic of Brazil of 1988 Legislative Decree No. 2/1994

	Decree No. 2,519/1998 Decree No. 5,051/2004 Law No. 11,284/2006 Decree No. 5,758/2006 Decree No. 6,040/2007 FSC-STD-BRA-01-2025 FSC-GUI-30-003 FSC-NRA-BRA V1-0 (National Risk Assessment – Brazil)
Risk Rating	Low Risk

Brazil 903,892	**Indicator**
4.2.7	Designated cultural heritage sites shall be preserved.
Supply Base Verifiers	□ Overlay mapping according to the FSC National Risk Analysis guidelines. □ Consultation of databases such as the National Registry of Conservation Units (MMA) and IPHAN (Archaeological Heritage). □ Field verification. □ Georeferenced maps overlaid with layers of information from IPHAN, FUNAI, INCRA, UNESCO, and IBGE. □ Consultation reports with local, indigenous, and traditional communities, recording participants, topics discussed, and results. □ Minutes and records of social engagement meetings and annual consultations. □ Audit and field verification reports documenting the status of cultural heritage sites. □ Evidence of mitigation measures adopted when impact risks were identified (e.g., road alignment changes, exclusion of management areas, protective barriers). □ Records of training and development provided to teams and service providers on cultural heritage. □ Compare service areas with official databases (IBGE, FUNAI, INCRA, IPHAN, UNESCO) to identify possible overlaps or proximity (up to 10 km) with indigenous territories, quilombolas, traditional communities, archaeological sites, and cultural heritage sites. □ Management plans containing specific strategies for the protection and conservation of sites of cultural significance.
Risk Rating justification	Brazilian legislation addresses the preservation of cultural heritage sites broadly and in detail, ensuring that these assets are recognized, protected, and managed responsibly. The 1988 Federal Constitution, in its Article 216, defines Brazilian cultural heritage as the tangible and intangible assets that express the identity of the different groups that make up society, including forms of expression, ways of life, sites of historical and cultural value, and artistic and cultural manifestations. In Rio Grande do Sul, the State Constitution also establishes the State's responsibility to value and preserve culture and heritage, considering the Atlantic Forest as a natural, cultural, state, and national heritage. Additionally, the State Environmental Code (Law No. 11,520/2000) provides for the protection of special use areas that

	possess relevant environmental and cultural attributes, and the Government may allocate them for permanent preservation. Furthermore, federal and state legislation explicitly recognizes archaeological and paleontological heritage as part of cultural heritage, establishing specific standards for its protection. Law No. 3,924/1961 defines and protects archaeological and prehistoric monuments, while Law No. 11,738/2002 declares paleontological sites in Rio Grande do Sul as part of the state's cultural heritage. Internationally, Brazil ratified the Convention Concerning the Protection of the World Cultural and Natural Heritage (1972), reinforcing its commitment to preserving properties of global significance. These instruments complement the concept of High Conservation Value Attributes (HCV 6), which encompass sites and landscapes of cultural, archaeological, or historical importance to traditional communities and indigenous peoples. The legally mandated protection mechanisms include the mandatory identification of archaeological and paleontological sites in projects, the establishment of buffer zones, soil and water conservation measures, and management practices that prevent damage and erosion. Respect for Indigenous and Quilombola lands, as well as areas of tourist and scenic interest, is guaranteed by law, which also provides for transitions of use around plantations and prohibits activities that compromise cultural values in conservation units. The State Coastal Management Program also reinforces the protection of areas of cultural and scenic interest in coastal zones. Under environmental licensing, any project that could impact cultural heritage must be evaluated by qualified technicians, with a mandatory opinion from IPHAN (National Institute of Human Resources and Human Development) and consultation with agencies such as FUNAI (National Foundation of the Environment) and the Palmares Cultural Foundation when Indigenous or Quilombola lands are involved. If listed properties, archaeological sites, or other protected assets are identified, the licensing process requires a formal statement from the appropriate authorities and may require an Environmental Impact Assessment (EIA) and an Environmental Impact Report (RIMA). Furthermore, management must be immediately halted in areas of special cultural significance until protective measures defined in consultation with the communities involved are adopted. Responsibility for protection is shared among federal, state, and municipal agencies, with particular emphasis on the role of IPHAN, FUNAI, and the Palmares Cultural Foundation. Failure to comply with these regulations subjects violators to the sanctions set forth in Law No. 9,605/1998 (Environmental Crimes Law), reinforcing the coercive nature of the legal framework. The FSC-STD-BRA-01-2025 Plantations PT standard comprehensively addresses the preservation of designated cultural heritage sites, primarily through the concept of High Conservation Value (HCV) 6 – Cultural Values, as well as requirements related to respect for the rights of Indigenous Peoples and local communities. HCV 6 encompasses areas, sites, and landscapes of cultural, archaeological, or historical significance of global or national importance, as well as critical sites for traditional cultures, local communities, or Indigenous Peoples, identified through culturally appropriate engagement with rights holders.

	The standard establishes that the Organization must assess and record the presence and status of these attributes, based on up-to-date information, engagement with communities and experts, and consultation with official sources such as IPHAN and the Palmares Cultural Foundation. It also requires the development of effective management strategies to maintain or enhance the identified cultural attributes, applying the precautionary principle, avoiding or mitigating impact risks before implementing management activities. If damage or risk to these attributes occurs, the standard requires the immediate cessation of activities and the adoption of restoration and protection measures. Cultural protection is also ensured by the principles regarding Indigenous Peoples and the community. Local standards require the identification and recognition of areas of special cultural, ecological, economic, religious, or spiritual significance, as well as the implementation of approved protection measures through appropriate engagement with these groups. If new areas are discovered, management activities must be immediately suspended until effective protection measures are jointly defined. These requirements are incorporated into the Organization's management plan, which must contain clear measures for the conservation and restoration of High Conservation Values, with an emphasis on cultural heritage sites. The process must be conducted in a transparent and participatory manner, ensuring that identification, assessment, planning, implementation, and monitoring are carried out in close collaboration with Indigenous Peoples and local communities. The FSC National Risk Assessment (NRA) for Brazil addresses the preservation of cultural heritage sites in Indicator 3.6: HCV 6 – Cultural Values, which has been classified as a Determined Risk nationwide. HCV 6 encompasses areas, resources, habitats, and landscapes of special cultural, archaeological, or historical significance, including World Heritage sites, IPHAN cultural heritage data, and sites of religious, spiritual, or identity significance to Indigenous, Quilombola, and traditional communities. Brazilian law provides broad protection for cultural heritage. The 1988 Constitution (art. 216) recognizes tangible and intangible heritage as representative of national identity, while specific decrees regulate the demarcation of Indigenous and Quilombola lands and establish the National Policy for the Sustainable Development of Traditional Peoples and Communities (PNPCT), reinforcing the guarantee of territories and the preservation of cultural assets. Despite this legal framework, the ANR concludes that risks remain high due to the widespread distribution of cultural attributes, the difficulty of accurate identification in the field, and the frequent violations of the rights of traditional and Indigenous peoples, reported by organizations such as CIMI, CPT, and Greenpeace. The main threats arise from overlapping forest management areas with cemeteries, archaeological sites, places of worship, and cultural landscapes, as well as restrictions on access to sacred areas. The set of current laws, conventions, and management instruments establishes a robust system for safeguarding cultural heritage in Brazil. The

	comprehensiveness of the regulations, the requirement for technical assessment in licensing processes, the participation of specialized agencies, and the recognition of the cultural and historical value of various assets and areas justify the "specified risk" classification for the non-preservation of designated cultural heritage sites.
Risk Rating	Specified Risk

Annex 2: EU RED Supply Base Evaluation

Countries where EU RED Supply Base Evaluation is used	
Country	Brazil
Area	903,892
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	Connexion Export's Level B management system, at the forest supply area level, for the legality of harvesting operations, is established to verify the following points: The legality of harvesting operations is ensured through compliance with the due diligence system defined in Article 6 of Regulation (EU) No. 995/2010. The legality of harvesting operations is verified. The legality of harvesting operations is verified by presenting evidence of the operation's compliance with the due diligence system. Conservation areas are verified. Forest benefits are analyzed to demonstrate that harvesting maintains or improves the forest's long-term production capacity. Timber extraction rights are verified within legally declared limits. The legal rights of third parties regarding use and possession that are affected by timber extraction are verified. Environmental and forestry legislation, including forest management and biodiversity conservation, is checked when directly related to timber extraction. Payments for harvesting and timber royalties are verified. Forest regeneration in harvested areas is analyzed. Connexion Export verifies the management practices that have been and are planned to be implemented by forest owners in the supply area. For suppliers with FSC Forest Management certification, verifications are conducted by analyzing information about the history of their practices and their scope within the certification system. For Controlled Material suppliers, verifications are conducted based on Connexion Export's Due Diligence System, the National Risk Assessment, and the Controlled Wood Sourcing Procedure. Verifications include document reviews, field inspections, inventories, mapping, and the use of remote sensing, as well as stakeholder consultations, when applicable. The company defines its supply area and monitors information such as perimeter, total area, plots, species, and certification (FSC Forest

	Management or FSC Controlled Wood). This information is maintained in a database updated by RDK Logs, in shapes, spreadsheets, and maps. The company also ensures continuous compliance with current legislation in the harvesting country in areas such as logging rights, royalty payments, and compliance with environmental and forestry legislation.
(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	The company prioritizes sourcing areas that guarantee forest regeneration to maintain, at a minimum, the quality and quantity of harvested areas. The forest is guaranteed to have a regeneration period of at least five years after harvest. There must be no biodiversity degradation in the regenerated area, and primary or natural forests cannot be replaced by planted forests. Compliance with the regeneration criterion is demonstrated through forest management plans, environmental permits, post-harvest field visits, satellite imagery verification, and audit results. The supply base must reestablish the forest stand, whether through planting or regrowth. Conversion of forest to another land use does not meet this criterion. The company ensures that forest biomass does not come from areas designated for nature protection, such as wetlands and peatlands, unless there is evidence that extraction does not interfere with the conservation objectives. Harvesting must be carried out in a way that prevents negative impacts on soil quality and biodiversity. This includes early identification of relevant risks, minimizing soil compaction, and maintaining an appropriate quantity and variety of deadwood. Harvesting should maintain or improve the forest's long-term production capacity. This is verified by ensuring that annual harvested timber quantities do not exceed the net annual increment, averaged over the five-year period prior to harvest, unless justified to increase future production capacity or due to natural disturbances. This is verified by forest inventory data.
(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	Connexion Export's Level B management system protects areas designated by national or international legislation for nature protection. The company achieves this objective by ensuring that forest biomass does not come from designated nature protection areas. To demonstrate compliance with this criterion, Connexion Export uses the following tools: Official databases. Satellite imagery. Environmental permits. Results of relevant compliance audits and inspections. The company differentiates between "prohibited areas" and "restricted areas." In "prohibited areas," harvesting is strictly prohibited. These areas include primary forests, old-growth forests, high-biodiversity natural grasslands, and heathlands. "Restricted areas" include high-biodiversity forests, wetlands, peatlands, and high-biodiversity unnatural grasslands. In these areas, harvesting is permitted only under specific conditions that ensure that production does not interfere with the site's nature protection objectives. The report details the presence of these areas in Rio Grande do Sul: Prohibited Areas: There is no large-scale occurrence of primary or old-growth forests, but the Pampa biome, a highly biodiverse natural grassland, is a key feature of the state. There are no records of heathlands. Restricted Areas: Rio Grande do Sul has extensive wetlands, especially on the coastal plain, and peatlands are found primarily in the same region. Remnants of the Atlantic Forest and Pampa biomes are considered highly biodiverse forests. The 2025 Pampa State Decree prohibits silviculture in areas with little human disturbance to protect the integrity of the biome. Harvesting in these areas is restricted and may only be carried out if it is proven that it does not interfere with nature conservation objectives.
(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	Connexion Export's Level B management system in the forestry sourcing area considers the preservation of soil quality and biodiversity during harvesting, minimizing negative impacts. The system's practices include: Raw material cannot come from lands that had the status of forests, wetlands, peatlands, or high-biodiversity pastures in January 2008 and were subsequently converted. Brazilian legislation, such as the New Forest Code (Federal Law No. 12,651, of May 25, 2012) and the Atlantic Forest Law (Federal Law No. 11,428, of December 22, 2006), prohibits the conversion of native vegetation after this date. The harvesting of stumps and roots is avoided to avoid negatively impacting soil quality and biodiversity. Harvesting is carried out using systems that minimize impacts on soil quality by preventing compaction. After harvesting, stumps, branches, and other residues are left in the soil to allow organic matter to be recycled. This residue also protects the soil from direct sunlight and rain. Harvesting is carried out only in commercial plots, respecting the boundaries and reducing impacts on Permanent Preservation Areas (APPs) and native vegetation. The company uses minimum tillage techniques and maintains soil cover. Field inspections verify that adequate equipment and techniques are appropriate for the terrain and topographical conditions of the supply units. Official databases, satellite imagery, and environmental permits are used to ensure there are no conflicts with nature conservation objectives.
(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	Connexion Export's Level B management system in the forest supply sector aims to maintain or improve the forest's long-term production capacity. The main points of the management system are: Management is based on the silvicultural characteristics of the plantations, diversifying between eucalyptus, pine, and black wattle. Producers use different management systems, such as selective thinning, which removes less developed or damaged trees while retaining the most promising ones. Systematic thinning, which removes trees in an orderly manner, and mixed thinning, which combines both methods, are also used. Clear felling, where most or all trees are removed simultaneously, is another method used. The choice of management system depends on market dynamics, profitability, and environmental impacts. Producers prioritize profitable growth, while being environmentally appropriate and socially fair, and they pursue technological development and organizational modernization. Before implementation, renovation, or

	harvesting, planning is carried out to define roads, infrastructure, environmental permit requirements, and identify social and environmental risks. A multidisciplinary team conducts a field inspection to discuss and identify relevant aspects such as road location, cargo flows, and activity hazards. Restrictions are defined according to the company's Forest Management principles, such as difficult access or restrictive slopes. Compliance with this criterion is demonstrated through the use of official databases, satellite imagery, and environmental permits, including conditions that ensure there are no conflicts with nature protection objectives. The results of compliance audits and inspections are also used to verify adherence to the criterion.
(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	To ensure that the forests where biomass is harvested do not come from lands with the aforementioned statuses, the risk assessment uses the following procedures: Identification of prohibited and restricted areas: The assessment makes a clear distinction between "no-go areas" and "restricted areas." Harvesting is strictly prohibited in prohibited areas due to their high conservation value or sensitive ecological characteristics. Prohibited areas include primary forests, old-growth forests, high-biodiversity natural grasslands, and heathlands. Mapping and verification: The report uses official databases, satellite imagery, and environmental permits to demonstrate that the biomass does not come from designated nature protection areas. The "EU RED Prohibited Areas" map (Figure 6) is used to demonstrate that there are no intact forest landscapes (IPLs) in Rio Grande do Sul. The "EU RED Restricted Areas" map (Figure 7) indicates the presence of wetlands, peatlands, and high-biodiversity forests in the state. Legislation: The management system is based on national and state laws to protect areas such as forests, wetlands, and pastures. The New Forest Code (Federal Law No. 12,651/2012) and the Atlantic Forest Law (Federal Law No. 11,428/2006) are cited as laws that establish regulatory frameworks for the protection of native vegetation and prohibit new land-use conversions after July 22, 2008. The 2025 Pampa State Decree prohibits the planting of trees for commercial purposes in areas with little human disturbance. Management Systems: Connexion Export uses a Due Diligence system to verify the origin of raw

	materials. The system establishes a Risk Assessment and Control Measures for suppliers of controlled materials. For certified suppliers, there is a biannual consultation to validate the scope of certification. For Controlled Material suppliers, verifications include analyses of protected sites and species, as well as stakeholder consultations and field inspections.
(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	To ensure that the forests where biomass is harvested do not come from lands with the aforementioned statuses, the risk assessment uses the following procedures: Identification of prohibited and restricted areas: The assessment makes a clear distinction between "no-go areas" and "restricted areas." Harvesting is strictly prohibited in prohibited areas due to their high conservation value or sensitive ecological characteristics. Prohibited areas include primary forests, old-growth forests, high-biodiversity natural grasslands, and heathlands. Mapping and verification: The report uses official databases, satellite imagery, and environmental permits to demonstrate that the biomass does not come from designated nature protection areas. The "EU RED Prohibited Areas" map (Figure 6) is used to demonstrate that there are no intact forest landscapes (IPLs) in Rio Grande do Sul. The "EU RED Restricted Areas" map (Figure 7) indicates the presence of wetlands, peatlands, and high-biodiversity forests in the state. Legislation: The management system is based on national and state laws to protect areas such as forests, wetlands, and pastures. The New Forest Code (Federal Law No. 12,651/2012) and the Atlantic Forest Law (Federal Law No. 11,428/2006) are cited as laws that establish regulatory frameworks for the protection of native vegetation and prohibit new land-use conversions after July 22, 2008. The 2025 Pampa State Decree prohibits the planting of trees for commercial purposes in areas with little human disturbance. Management Systems: Connexion Export uses a Due Diligence system to verify the origin of raw materials. The system establishes a Risk Assessment and Control Measures for suppliers of controlled materials. For certified suppliers, there is a biannual consultation to validate the scope of certification. For Controlled Material suppliers, verifications include analyses of protected sites and species, as well as stakeholder consultations and field inspections.

(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	To ensure that the forests where biomass is harvested do not come from lands with the aforementioned statuses, the risk assessment uses the following procedures: Identification of prohibited and restricted areas: The assessment makes a clear distinction between "no-go areas" and "restricted areas." Harvesting is strictly prohibited in prohibited areas due to their high conservation value or sensitive ecological characteristics. Prohibited areas include primary forests, old-growth forests, high-biodiversity natural grasslands, and heathlands. Mapping and verification: The report uses official databases, satellite imagery, and environmental permits to demonstrate that the biomass does not come from designated nature protection areas. The "EU RED Prohibited Areas" map (Figure 6) is used to demonstrate that there are no intact forest landscapes (IPLs) in Rio Grande do Sul. The "EU RED Restricted Areas" map (Figure 7) indicates the presence of wetlands, peatlands, and high-biodiversity forests in the state. Legislation: The management system is based on national and state laws to protect areas such as forests, wetlands, and pastures. The New Forest Code (Federal Law No. 12,651/2012) and the Atlantic Forest Law (Federal Law No. 11,428/2006) are cited as laws that establish regulatory frameworks for the protection of native vegetation and prohibit new land-use conversions after July 22, 2008. The 2025 Pampa State Decree prohibits the planting of trees for commercial purposes in areas with little human disturbance. Management Systems: Connexion Export uses a Due Diligence system to verify the origin of raw materials. The system establishes a Risk Assessment and Control Measures for suppliers of controlled materials. For certified suppliers, there is a biannual consultation to validate the scope of certification. For Controlled Material suppliers, verifications include analyses of protected sites and species, as well as stakeholder consultations and field inspections.
(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	To ensure that the forests where biomass is harvested do not come from lands with the aforementioned statuses, the risk assessment uses the following procedures: Identification of prohibited and restricted areas: The assessment makes a clear distinction between "no-go areas" and "restricted areas." Harvesting is strictly prohibited in prohibited areas due to their high conservation value or sensitive ecological characteristics. Prohibited areas include primary forests, old-growth forests, high-biodiversity natural grasslands, and heathlands. Mapping and verification: The report uses official databases, satellite imagery, and environmental permits to demonstrate that the biomass does not come from designated nature protection areas. The "EU RED Prohibited Areas" map (Figure 6) is used to demonstrate that there are no intact forest landscapes (IPLs) in Rio Grande do Sul. The "EU RED Restricted Areas" map (Figure 7) indicates the presence of wetlands, peatlands, and high-biodiversity forests in the state. Legislation: The management system is based on national and state laws to protect areas such as forests, wetlands, and pastures. The New Forest Code (Federal Law No. 12,651/2012) and the Atlantic Forest Law (Federal Law No. 11,428/2006) are cited as laws that establish regulatory frameworks for the protection of native vegetation and prohibit new land-use conversions after July 22, 2008. The 2025 Pampa State Decree prohibits the planting of trees for commercial purposes in areas with little human disturbance. Management Systems: Connexion Export uses a Due Diligence system to verify the origin of raw materials. The system establishes a Risk Assessment and Control Measures for suppliers of controlled materials. For certified suppliers, there is a biannual consultation to validate the scope of certification. For Controlled Material suppliers, verifications include analyses of protected sites and species, as well as stakeholder consultations and field inspections.
(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	To ensure that the forests where biomass is harvested do not come from lands with the aforementioned statuses, the risk assessment uses the following procedures: Identification of prohibited and restricted areas: The assessment makes a clear distinction between "no-go areas" and "restricted areas." Harvesting is strictly prohibited in prohibited areas due to their high conservation value or sensitive ecological characteristics. Prohibited areas include primary forests, old-growth forests, high-biodiversity natural grasslands, and heathlands. Mapping and verification: The report uses official databases, satellite imagery, and environmental permits to demonstrate that the biomass does not come from designated nature protection areas. The "EU RED Prohibited Areas" map (Figure 6) is used to demonstrate that there are no intact forest landscapes (IPLs) in Rio Grande do Sul. The "EU RED Restricted Areas" map (Figure 7) indicates the presence of wetlands, peatlands, and high-biodiversity forests in the state. Legislation: The management system is based on national and state laws to protect areas such as forests, wetlands, and pastures. The New Forest Code (Federal Law No. 12,651/2012) and the Atlantic Forest Law (Federal Law No. 11,428/2006) are cited as laws that establish regulatory frameworks for the protection of native vegetation and prohibit new land-use conversions after July 22, 2008. The 2025 Pampa State Decree prohibits the planting of trees for commercial purposes in areas with little human disturbance. Management Systems: Connexion Export uses a Due Diligence system to verify the origin of raw materials. The system establishes a Risk Assessment and Control Measures for suppliers of controlled materials. For certified suppliers, there is a biannual consultation to validate the scope of certification. For Controlled Material suppliers, verifications include analyses of protected sites and species, as well as stakeholder consultations and field inspections.
(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	To ensure that the forests where biomass is harvested do not come from lands with the aforementioned statuses, the risk assessment uses the following procedures: Identification of prohibited and restricted areas: The assessment makes a clear distinction between "no-go areas" and "restricted areas." Harvesting is strictly prohibited in prohibited areas due to their high conservation value or sensitive ecological characteristics. Prohibited areas include primary forests, old-growth forests, high-biodiversity natural grasslands, and heathlands. Mapping and verification: The report uses official databases, satellite imagery, and environmental permits to demonstrate that the biomass does not come from designated nature protection areas. The "EU RED Prohibited Areas" map (Figure 6) is used to demonstrate that there are no intact forest landscapes (IPLs) in Rio Grande do Sul. The "EU RED Restricted Areas" map (Figure 7) indicates the presence of wetlands, peatlands, and high-biodiversity forests in the state. Legislation: The management system is based on national and state laws to protect areas such as forests, wetlands, and pastures. The New Forest Code (Federal Law No. 12,651/2012) and the Atlantic Forest Law (Federal Law No. 11,428/2006) are cited as laws that establish regulatory frameworks for the protection of native vegetation and prohibit new land-use conversions after July 22, 2008. The 2025 Pampa State Decree prohibits the planting of trees for commercial purposes in areas with little human disturbance. Management Systems: Connexion Export uses a Due Diligence system to verify the origin of raw materials. The system establishes a Risk Assessment and Control Measures for suppliers of controlled materials. For certified suppliers, there is a biannual consultation to validate the scope of certification. For Controlled Material suppliers, verifications include analyses of protected sites and species, as well as stakeholder consultations and field inspections.
(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

N/A

Feedstock inspection and classification upon receipt

N/A

Supplier audit for processing residues and post-consumer feedstock

N/A

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).