

Supply Base Report: Pellets Power 2 – Produção de Pellets, Lda

Second Surveillance Audit

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Completed in accordance with the Supply Base Report Template Version 1.2

*For further information on the SBP Framework and to view the full set of documentation see
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Document history

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1 Overview

Producer name: Pellets Power 2 – Produção de Pellets, Lda
 Producer location: Herdade do Castelo de Arez, Barrosinha 7580 Alcácer do Sal.
 Geographic position: N 38° 21' 46.23"; W 8° 28' 20.14"
 Primary contact: Maria João Preto, **Gesfinu** - Avenida Villagarcia de Arosa, 1919, 4460-439 Matosinhos , +351 969647006, maria.preto@gesfinu.com
 Company website: www.gesfinu.com
 Date report finalised: 07/Feb/2018
 Close of last CB audit: (Feb 2018), Alcácer do Sal
 Name of CB: NEPCon
 Translations from English: N/A
 SBP Standard(s) used: Standard 1, Standard 2, Standard 4, Standard 5
 Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>
 SBP Endorsed Regional Risk Assessment: N/A
 Weblink to SBR on Company website: www.gesfinu.com

Standard 1:

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
☐	☒	☐	☐	☐

Standard 2, Standard 4, Standard 5:

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
☐	☐	☒	☐	☐

2 Description of the Supply Base

2.1 General description

Portugal forest area covers 3 154 800 hectares. According with ICNF (Instituto da Conservação da Natureza e Florestas), forest land use is the dominant use of the mainland (35.4% in 2010). Over 60% of the territory of continental Portugal consists of forest areas, where 84.2% of the forests are located on private land, 13.8% in community land and only 2% in public areas (source: 6.º *Inventory Forest National*. Areas of land use and forest species of Portugal continental (Preliminary results v1.1, fevereiro 2013).

All types of forest areas presented in Portugal mainland are plantations, semi-natural and natural forests.

Distribution of soils areas in Portugal (ICNF, 2013) is the following:

- Forests - 35%,
- Pastures - 32%,
- Inland water – 2%,
- Urban – 5%,
- Agriculture – 24%,
- Infertile land -2%;

In 2010 the forest land use was the dominant use of the mainland Portugal, occupying 35.4%. The woods and pastures are the following class of land use with larger area, the bushes corresponding to 32% of this class. Agricultural areas account for 24% of the mainland.

The distribution of total areas for species/species group Portuguese forest is the following:

- *Pinus pinaster* - 23%,
- *Eucalyptus spp.* - 26%,
- *Pinus pinea* - 6%,
- *Quercus suber* - 23%,
- *Quercus ilex* - 11%,
- *Quercus spp.* - 2%,
- *Castanea sativa* - 1%,
- Other hardwoods - 6%,
- Other softwoods - 2%,
- Other softwoods - 2%.

Area occupied by coniferous species corresponds to 31% of the Portuguese forest, and 69% is occupied by broadleaf species. The forest area from which the dominant species is the eucalyptus is the largest area of the country (812 000 ha, 26%), cork the second (737,000 ha; 23%), followed by maritime pine (*Pinus pinaster*) (714,000 there is; 23%) and 6% *Pinus pinea*.

According with the 6.º *Inventory Forest National* areas of land use and forest species of Portugal continental (preliminary results v1.1, fevereiro 2013)

The Portuguese forest management areas are protected from illegal harvesting, settlement and other unauthorized activities.

The main threats mentioned by WWF are the continuing conversion of these forest areas in agriculture, grazing or urban use. Among other threats there's frequent fires, harvesting of the remaining areas of natural forests, the excessive use of exotic species and overgrazing. According with this indicator, Portugal can be considered a low risk country. www.panda.org/about_our_earth/ecoregions/mediterranean_forests_scrub.cfm
www.icnb.pt

Portuguese legislation prohibits conversion of natural forest to plantations (1901 and 1903 "*regime florestal*" decrees, decree-laws n.º 166/2008, of 22-08 on the National Ecological Reserve, decree-laws n.º 254/2009, of 24-09, revoke by Decree-Laws n.º 12/2012, of 24-09 on the Forest code and 169/2001, of 25-05 on cork and holm oak).

Furthermore, land use changes after forest fires are conditioned by law (decree-laws n.º 254/2009, of 24-09, revoke by Decree-Laws n.º 12/2012, on the Forest code and 169/2001, of 25-05); changes must be submitted to the National Forest Authority (AFN).

Natural forests are classified as habitats, and are safeguarded by another legal framework, which is even more limiting. The results of the last National Forest Inventory (2013) show an increase of forest area.

As mentioned before, legislation does not allow conversion of natural forest. After forest fires, any changes have to be submitted to the national forestry authority. There is also legislation to protect wetlands, peat land, protected areas and highly biodiverse grasslands.

The raw material received in Pellets Power 2 – Produção de Pellets, Lda is coming from private land suppliers or National Authority forests.

Law No. 33/96 of 17 August defines the bases of the national Forest Policy and the foundations of national Forest Policy, including the fundamentals to the development and strengthening of institutions and programs for the management, conservation and sustainable development of forests and associated natural systems, aimed at meeting the needs of the community, a framework of spatial planning. (decree-laws n.º 254/2009, of 24-09, - Forest National Code, revoke by Decree-Laws n.º 12/2012).

The declaration of felling, pruning, and circulation of conifer wood, set out in article 6 of Decree-Law no. 123/2015, dated 3 July, must be obligatorily provided in advance whenever; a) it concerns the felling, and transport, or transport of wood from the felling of conifers that are hosts of the pine wood nematode in continental territory, b) it concerns the pruning of host conifers in continental territory.

The new legal framework applying to the harvesting, transportation, storing, transformation, import, and export of *Pinus pinea* L. in continental territory, which was approved by Decree-Law no. 77/2015, dated 12 May, is effective as of 10 August 2015.

The regulations require that the ICNF is given advance notice of any economic activity or operation involving the harvesting, transportation, storing, transformation, import, and export of *Pinus pinea* L. and that those carrying out such activities are registered.

The legal framework applicable to the application of resin and the circulation of pine resin in continental territory was approved by Decree-Law no. 181/2015, dated 28 August. This law is effective as of 28 September 2015, with the exception of articles 6 to 9, 'prior notification' and 'registration of a resin operator', which are effective as of 1 January 2016.

The regulations require that the ICNF is provided with advance notice of the extraction of pine resin, its import and export, as well as transportation, storing, and entry to an establishment for the first industrial transformation, and that resin operators are subject to registration.

Portuguese forests are influenced by the climate and geography, among other factors, being significantly different in the North and in the South. The North is mostly mountainous and influenced by the Atlantic climate. Here there are oak forests of *Quercus pyrenaica*, with settlements of *Cytisus* sp. and several pockets of invasive species, such as *Acacia* sp.. The South is characterized for plains and less relief. Portugal's endemic Mediterranean forests are characterized by oak forests (*Quercus robur* and *Quercus rotundifolia*) with several types of vegetation. Pine trees (*Pinus pinaster* and *Pinus pinea*) and Eucalyptus (*Eucalyptus globulus*) exists in all territory, as well as abundant bushes of rockrose orlabdanum (*Cystus ladanifer*) and strawberry tree (*Arbutus unedo*) (source: Godinho-Ferreira et al., 2005).

All types of forest areas presented in Portugal mainland can be plantations, semi-natural and natural forests.

Alentejo forest area can be divided into public forest, private forest and public and private forest areas inside of protected areas.

Public forests are managed by the Institute for Nature and Forests Conservation (ICNF).

Since 1988, there is in Portugal a Decree Law No. 174/88 of 17 May which requires a felling permit for cutting and extracting trees for sale a/or for industrial processing. Its aim is to promote the necessary statistical information, to contribute to achieve a sustainable production of raw material, and to increase efficiency of public forest management, promoting any intervention on the market in order to correct imbalances between supply and demand for timber.

One of the aims of the Regional Forest Planning is the definition of the minimum area of the management units, above which they will be compelled to base their management in Forest Management Plans (PGF), elaborated according with the rules defined by the Decree - Law nº 205/99 of 9 of June. The use of forest management plans is already a reality in most of part of the forest Alentejo area. Some agro-forest management units, where the effects of the economy of scale are present, are examples. The non-generalization of this type of instrument to support management is essentially due to the fact that the gains attained are null or even negative when the management units are in a lower baseline of dimension and complexity.

The first goal of forest management is to improve the production (timber and cones/pine nuts). The strategic forest planning methodology allows the integration of two different silvicultures activities (timber production and forest products) and the choice of the best at each stand.

Timber and resin constitutes the most financially profitable forest products, that target the various activities such as sawmills, production of paper pulp, cellulose or energy, among many others (*Plano Director Municipal de Penacova, Caracterização Florestal, Abril 2015*).

The Mediterranean stone pine, *Pinus pinea* L. (Pinaceae), is one of the most appreciated specie in the Mediterranean basin due to the multiple products and functions it offers (timber and fruit production, resins, soil protection, biodiversity, or landscape). The most interesting activity from the economic point of view is the pine nut production.

Stone pine forests have been used since ancient times as a source of timber, edible pine nuts, fuelwood, barks and resins. Forests provide an important ecological, landscape and recreational services and due to their capacity for growing over continental and coastal dunes, they have been widely used as protectors against soil erosion.

Stone pine forests have been managed under multifunctional principles since the end of the 19th century. Bark extraction, resin tapping and pruning for fuelwood are abandoned practices in stone pine forests. Timber prices for the species have recently dropped so, cone production and pine-nut extraction have become the most interesting and profitable outputs from these forests.

Today, cone harvesting from the trees, subsequent industrial pine nut extraction and market are economically profitable activities, supporting an increase in employment in south of Portugal regions.

Extensive research and development have been conducted on the biology, ecology and silviculture of the species and, in particular, its cone and nut.

Thinning assumes special importance in softwoods, and youth wood being of poor quality, requires a plantation at relatively high densities, in order to form less youth wood per tree and increase intra-specific competition, favoring the height growth and natural pruning. Reduces then chopping density in order to concentrate the growth potential of the best future trees. Currently thinning in *Pinus pinea* forest, aims to promote the production of pine cone.

A pruning is the removal of floors composed by branches, dead or alive, below of the crown, promoting the formation of stem high trees, without imperfections (Alves, 1988). Nowadays thinnings are in young forest stands of *Pinus pinea* when thinnings are made in old stand, branches can be up to 30-40 cm.

The *Pinus pinaster* is a fast-growing species, intolerant to shade. *Pinus pinaster* has higher hardiness and has been used in Portugal, in afforest very small fertile land (as in the case of some dunes) in the northern and center mountains.

Due to forest fires and the phytosanitary problems, the pine, in the last National Forest Inventory, decreased by 263,000 hectares between 1995 and 2010. It occupied in 2010, about 714 445 000 hectares (IFN 6). In the maritime pine pruning the goal is to obtain the best quality timber production (sawmill, papermill, etc).

Pellets Power 2 - Produção de Pellets, Lda, receives the majority of fibre from *Pinus pinea* forest maintenance. The forest management practices consist in cleaning the trees and soil and promoting the wood pine growing. Forestry products derives from the same species, timber and pine nut (*Pinus pinea*).

All raw material received by Pellets Power 2- Produção de Pellets Lda is evaluated as FSC®-Controlled Wood (included in our internal suppliers audits), and some percentage as FSC® 100%.

According FSC® (Forest Stewardship Council), since 2011 Portugal was considered a low risk country for the following categories:

- Illegally harvested wood
- Wood harvested in violation of traditional and civil rights
- Wood harvested in forests where high conservation values are threatened by management activities
- Wood harvested in forests being converted to plantations or non-forest use
- Wood from forests in which genetically modified trees are planted.

Pellets Power 2 – Produção de Pellets, Lda receives wood from an area near to the plant, with specific features, different from the remaining area of national forest.

Some of these forest areas are certified by FSC® and/or PEFC. All raw material received by Pellets Power 2 - Produção de Pellets, Lda is evaluated as FSC®-Controlled Wood with our Controlled Wood Code: APCER-CW-150116, and some percentage as FSC® 100%.

The majority of Pellets Power 2 - Produção de Pellets, Lda wood suppliers, work with the Organizations of Forest Producers (OF). Organizations of Forest Producers are a central element in the representation of interests of forest owners and managers, playing an important role in supporting forest owners and producers to achieve the good practices of forest management.

The raw material received is from private land suppliers or national authority forests, and we can be found the following situations:

- National Authority forests – Cleanings forest /lands (to avoid fires, diseases wood etc...);
- Private small land suppliers (to avoid fires, and valorize economical quantities of their raw material etc...) (local suppliers);
- Land suppliers use the land for production of pine nuts (local suppliers);
- 100% certified material is very residual because raw material price from certified areas is very high. The option is to guarantee FSC® controlled wood in the case of small land suppliers (that is the majority of Pellets Power 2 - Produção de Pellets, Lda suppliers);
- Certificate areas of eucalyptus are mainly intended for other industries that can accommodate higher raw material prices, as papermills.

Pellets Power 2 - Produção de Pellets, Lda raw material is characterized as:

- None of the species received is CITES-listed (*Pinus pinea*; *Pinus pinaster*; *Eucalyptus globulus*, *Acacia dealbata*, *Acacia melanoxylon*).
- Raw material close to Pellets Power 2 – Produção de Pellets, Lda is around 90% of *Pinus pinea* and the rest is 10% (*Pinus pinaster*, *Eucalytus*, etc...)
- Pellets Power 2 - Produção de Pellets, Lda works with many suppliers which have have their own forest, so they have to make sure it is clean (legal obligation).

In 2017 38% of the raw material received was Controlled feedstock and 62% Compliant feedstock. Pellets Power 2 – Produção de Pellets, Lda received material from secondary feedstock category around 0.7%.

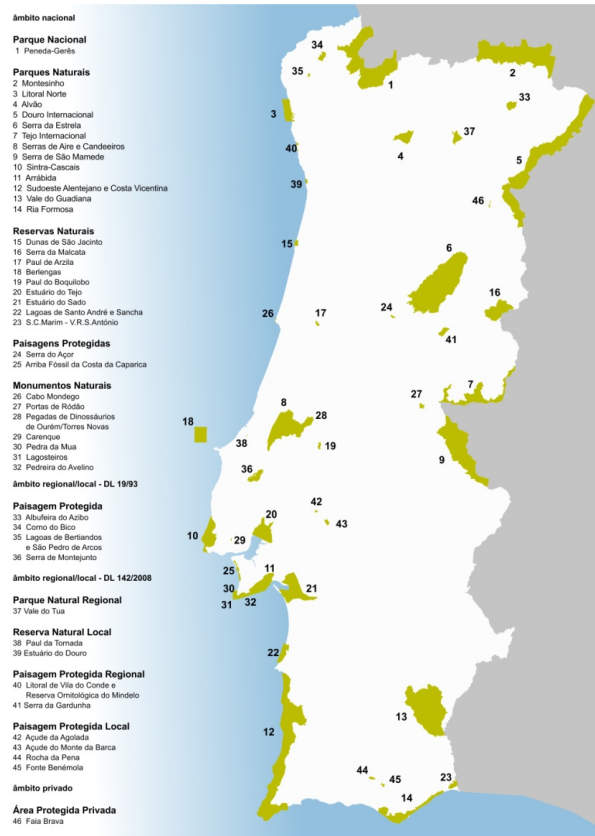
In 2017 primary feedstock from forest included: low grade round wood; arboricultural arising; branch wood, diseased wood; thinnings; tree tops (98.2%) and wood energy crops category, short rotation forestry energy crop, eucalyptus (1.1%).

Primary feedstock is sourced directly from the forest in the form of round wood /branch with low grade round wood from around of 60 suppliers (2017).

There are no trees in Portugal belonging to CITES appendices. It also was not found any direct effect of harvesting or forest management over CITES listed species.

In Portugal, more than 257625 ha of forest area were certified under PEFC scheme and 376886 ha under FSC® scheme (CBD Fifth National Report – Portugal, 2015, pages <https://www.cbd.int/doc/world/pt/pt-nr-05-pt.pdf>).

<https://cites.org/eng/cms/index.php/component/cp/country/PT>



Protected Portuguese National areas (<http://www.icnf.pt/portal/ap>)

2.2 Actions taken to promote certification amongst feedstock supplier

Pellets Power 2 - Produção de Pellets, Lda is promoting sustainable forest management (FSC® CW/ FSC® 100%). Pellets Power 2 - Produção de Pellets, Lda (inside of multisite certification Gesfinu SGPS, S.A. Group) has the FSC® Chain of Custody and FSC® Controlled Wood certification since 2012 and annually performs an audit suppliers program (Audit verification of timber supply) that checks and reviews evidences of raw material origin documentation delivery to plant. Audit processes include field visits (inspections) in which a selection of suppliers is annually audited. Main goal is to verify the origin of the material supplied, evidences related to the quantity, quality, veracity of transport documents, among other items, in order to meet the requirements of FSC® Controlled Wood.

The procedures are defined internally with support of instructions and procedures.

Although Portugal is classified by FSC® as a low risk country, Pellets Power 2 - Produção de Pellets, Lda chose to maintain inspections in field and work with wood suppliers to check evidences and to prove that all FSC® Controlled wood as well as environmental, quality and safety health requirements are achieved. The FSC® CW audits suppliers program involved the companies (forests management) in order to improve the best sustainability practices in the forest.

Forests in Portugal have always played an important role in economy and society. The majority of Pellets Power 2 - Produção de Pellets, Lda wood suppliers, work with the Organizations of Forest Producers.

Several of the mentioned species (*Pinus pinaster*, *Eucalyptus globulus*, etc..), have commercial interest for sawmills, cork, pulp or other items, that needs to be counterbalanced with the recreational and cultural values.

Pellets Power 2 - Produção de Pellets, Lda receives material coming from forest cleaning operations and pine plantation maintenance (including round wood, pine cones, branches, needles, leaves, thinning and bark). There is a governmental financial support to promote forests projects which incentive the management of forests, so suppliers need to prove that, if they want to approve their projects.
<http://www.icnf.pt/portal/florestas/gf/opf/resource/doc/dcnf-c-list>.

In case of Pellets Power 2 – Produção de Pellets, Lda, there is a direct contact between the plant responsible for raw material purchase and suppliers, which permits to alert suppliers for the advantages of good forestry practices, as well as the certification of own forest area. Furthermore, it has been transmitted to suppliers customers requirements regarding the traceability of the origin of raw material, its sustainability and the advantage and recognition of certified forest areas. At the same time, the COC responsible and as well as raw material purchase responsible have participated in management and forest certification trainings / workshops to improve their knowledge in this area.

2.3 Final harvest sampling programme

In 2017, 5.2% of 100% (coniferous feedstock) was roundwood/woodlogs (forest residues) from continuously forest area of *Pinus pinea* from thinning operations of more than 40 years, with the goal of promoting the increase of pine nuts .

Pellets Power 2 - Produção de Pellets, Lda receives material coming from forest cleaning operations and pine plantation maintenance (including round wood, pine cones, branches, needles, leaves and thinning), that includes cleaning operations in older forest (more than 40 years).

Edible nuts have become the most important forest product in many rural areas. Sustainable development of the stone pine forest and the surrounding rural areas requires more intensive management of forest resources in order to achieve maximum value per tree.

For this reason, when nut production is the main target of stone pine management, thinnings must aim low densities to encourage crown development and to avoid overlaps and reduction of the crowns. Thinnings must also promote tree cone production even if this means a reduction in production per unit area in order to reach greater yield in harvest operations. If there is a delay in thinning treatments or they are too light, production will not be commercial until the stand is at least 60 years old (Montero et al. 2008). The first thinning must be carried out for achieving low densities since the beginning of fructification (15–25 years old) (Montero et al. 2008).

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

Insert flow diagram.

2.5 Quantification of the Supply Base

Supply Base – Portugal

- a) Total Supply Base area: 3,2 million ha: Cumulative area of all forest types within SB
- b) Tenure by type (ha): Privately owned – 3,1 million ha; Public forest 0,1 mln ha
- c) Forest by type (ha): Temperate Forests – 3,2 mln ha
- d) Forest by management type (ha): managed natural: 2,3 mln ha; Planted forest: 0,9 mln ha
- e) Certified forest by scheme (ha): FSC® - certified forest-391905 ha and PEFC-certified forest-254604 ha

Feedstock

- f) Total volume of Feedstock: 109042 tonnes (0 – 200,000 tonnes)
 - Arboricultural arising: 0.5 %
 - Branch wood: 4.4%
 - Low grade roundwood: 88.1 %
 - Final fellings: 5.2 %
 - Wood energy crops: 1.1 %
 - Secondary feedstock: 0. 7%
- g) Volume of primary feedstock: 108309 tonnes (0 – 200,000 tonnes)
 - Arboricultural arising: 0.5 %
 - Branch wood: 4.4%

- Low grade roundwood: 88.1%tonnes
- Final fellings: 5.2 %
- Wood energy crops: 1.1 %

h) List percentage of primary feedstock (g), by the following categories.

Subdivide by SBP-approved Forest Management Schemes.

- Certified to an SBP-approved Forest Management Scheme – 62% (SBP – Compliant feedstock)
 - Not certified to an SBP-approved Forest Management Scheme - 38% (SBP – Controlled feedstock)
- i) List all species in primary feedstock, including scientific name: *Acacia dealbata* Link; *Acacia melanoxylon*; *Eucalyptus globulus*; *Pinus pinaster*; *Pinus pinea*; *Populus alba*; *Fraxinus angustifolia*; *Cupressus sempervirens*; *Casuarina equisetifolia*; *Prunus dulcis*; *Quercus suber*.
- j) Volume of primary feedstock from primary forest: 108309 tonnes
- k) List percentage of primary feedstock from primary forest (i), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
- Certified to an SBP-approved Forest Management Scheme – 62% (SBP – Compliant feedstock-primary forest)
 - Not certified to an SBP-approved Forest Management Scheme - 38% (SBP – Controlled feedstock-primary forest)
- l) Volume of secondary feedstock: 1.12 % Specify origin and type: Portugal , *Pinus pinaster*, *Pinus pinea*, *Quercus suber*)
- 1.Wood industry residues: 732.74 tonnes
- m) Volume of tertiary feedstock: 0 tonnes

Origin: Portugal

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
☒	☐

A Supply Base Evaluation is required because a significant proportion of the forest surrounding the pellet mill is not certified.

This evaluation will determine the legality and sustainability of fiber delivered to Pellets Power 2 – Produção de Pellets, Lda.

4 Supply Base Evaluation

4.1 Scope

The aim of this risk assessment covers Alentejo region, as this is the region from where Pellets Power 2 – Produção de Pellets, Lda receives timber. The reception raw material area considered, includes 31551,2 km² of Alentejo (NUTS II). Most of these areas are covered by a forest management plan, in which working companies specialized in forest treatment.

The main raw material and scope of this risk assessment covers wood pine (*Pinus pinea* and *Pinus pinaster*) from prunnings and thinnings, and it have been excluded clear cuttings/final fellings.

This risk assessment evaluation was developed by Pellets Power 2 – Produção de Pellets, Lda for the main raw material species received, *Pinus pinea* (around 70%) and *Pinus pinaster* (around 25%).

Pellets Power 2 - Produção de Pellets,Lda (inside of multisite certification Gesfinu SGPS Group) has the FSC® Chain of Custody and FSC® Controlled Wood certification since 2012 and annually performs an audit suppliers program (Audit verification of timber supply) that checks and reviews evidences of raw material origin documentation delivery to the plant.

Audit process include field visits (inspections) in which a selection of suppliers is annually audited. Main goal is to verify the origin of the material supplied, evidences related to the quantity, quality, veracity of transport documents, among other items, in order to meet the requirements of FSC® Controlled Wood.

The procedures are defined internally with the support of instructions and procedures.

Although Portugal is classified by FSC® as a low risk country, Pellets Power 2 - Produção de Pellets, Lda chose to maintain inspections in field and work with wood suppliers to check evidences and to prove all that FSC® Controlled wood as well as environmental, quality and safety health requirements area achieved. The FSC® CW audits suppliers program involves the companies (forests management) in order to improve the best sustainability practices in the forest.

The upgrade of audits process was done by compliant of the requirements of STD 01.

In 2017 it has been evaluated around 20% of supplier's fiber. For all suppliers, the documentation to the requirements of STD 01 was improved.

Pellets Power 2 – Produção de Pellets, Lda has around of 60 suppliers of *Pinus pinea* and *pinaster*.

The scope of the evaluation covered the entire supply area for Pellets Power 2 - Produção de Pellets, Lda which considered all existing and potential sources of primary as well as the feedstocks point of origin. The supply base evaluation covered by Pellets Power 2 – Produção de Pellets, Lda has included origin by diligence processes and risk assessment for FSC® Controlled wood. The intent of the supply base evaluation was to discern the risk level when compared to the indicators of SBP Standard 1.

4.2 Justification

Most of the supplies are coming from certified suppliers, certified land and not certified. In order to cover the majority of raw material supplies it was therefore deemed prudent to evaluate the entire area without exclusions.

The supply area for Pellets Power 2 - Produção de Pellets, Lda is included in one assessment, as the applicable legal requirements across the supply base is sufficiently similar and the forest practices are also similar.

This review and analysis were completed by comparing the existence, effectiveness and applicability of statutes/regulations, established forestry best management practices and recognized research from reputable sources in order to determine compliance and risk rating in relation to Criteria 1 & 2 of the SBP Standard 1.

4.3 Results of Risk Assessment

Pellets Power 2 – Produção de Pellets, Lda identified the following indicators as unspecified:

Unspecified risks:

- 2.1.1 The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.
- 2.1.2 Potential threats to forests and other areas with high conservation values from forest management are identified and addressed.
- 2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
- 2.2.4 Biodiversity is protected (CPET S5b).
- 2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
- 2.8.1 Appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).

All the other indicators were considered as low risk (see Annex 1: Detailed findings for supply base evaluation-indicators)

Table 1. Overview of results from the risk assessment of all Indicators (prior to SVP)

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1		X	
1.1.2		X	
1.1.3		X	
1.2.1		X	
1.3.1		X	
1.4.1		X	
1.5.1		X	
1.6.1		X	
2.1.1			X
2.1.2			X

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.3.1		X	
2.3.2			X
2.3.3		X	
2.4.1		X	
2.4.2		X	
2.4.3		X	
2.5.1		X	
2.5.2		X	
2.6.1		X	
2.7.1		X	

2.1.3		X	
2.2.1		X	
2.2.2		X	
2.2.3			X
2.2.4			X
2.2.5		X	
2.2.6		X	
2.2.7		X	
2.2.8		X	
2.2.9		X	

2.7.2		X	
2.7.3		X	
2.7.4		X	
2.7.5		X	
2.8.1			X
2.9.1		X	
2.9.2		X	
2.10.1		X	

4.4 Results of Supplier Verification Programme

Risk assessment results indicate the risk classified as “low or unspecified risk”.

In 2016, 15 % of suppliers were evaluated, and in 2017, 20%. The last results shows, that the unspecified risk evaluated in audit forest land was considered as low risk, and the requirements were predominantly complied. Pellets Power 2 – Produção de Pellets, Lda goal is to continue to increase the field audit number to verified the risk in initial regional risk assessment.

In order to evaluate the unspecified risks identified in the risk assessment, field assessments conducted under the SBP had as their main goal: collection of information during field verification audits of occupational safety aspects and identification and protection of Conservation values, biodiversity protection (interviews with workers, on-site visualization, and verbal and documentary inquiry). To support the forestry operators, Pellets Power 2 – Produção de Pellets, Lda has developed a guide to good forestry and safety work practices. Before the field audit, the supplier and / or owner land gives documentation of the forest/land area and Pellets Power 2 – Produção de Pellets, Lda surveyed to identify and characterize the site. In the field, the technical aspects of the type of operation were reviewed, followed by the checklist developed by Pellets Power 2 – Produção de Pellets, Lda with questions, like identification and protection of high conservation values, biodiversity protection, species protection, forest management plan, legislation, municipal regulations or directives applicable and documentation that proves and supports verified items. The safety aspects were initially assessed by mandatory legal documentation, and then seen in the field. For the indicators n.º 2.3.2 and 2.8.1, it was found that in general the use / availability of equipments for individual safety by the supplier was implemented, since workers had the minimum safety equipment and were familiar with their use. All operators are registered as forest operators and under legal compliance (for example: EUTR).

- **2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).**
- **2.8.1 Appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).**

An information document on Good Forest and Safety Practices was sent to suppliers, always alerting them to the importance of the appropriate use of equipments for individual safety and their advantages.

For HCVs, an internal checklist was drawn up on the identification, survey and field evaluation of HCVs in the verified sites, based on the general documentation. Prior to each visit, a survey of existing information was carried out to be verified in the field.

- **2.1.1 The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped and 2.1.2 Potential threats to forests and other areas with high conservation values from forest management are identified and addressed.**
- **2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).**
- **2.2.4 Biodiversity is protected (CPET S5b).**

During the evaluation it was verified that the operators / collaborators were familiar with the measures to implement in order to preserve the HCV directly related to the developed forest activity.

No non-conformities were detected for HCV, and overall operators identified the most critical issues to be addressed during HCV preservation operations, with risks classified as low risk.

In relation to the environmental aspects, the measures adopted to avoid contamination of the soil in relation to substances of a hazardous nature (eg lubricants of machines, containers, etc.) were also evaluated in the field. In summary, a supplier qualification matrix was produced with the final result of each supplier evaluated, as well as their classification (approved / not approved).

In the case of forestry activities, which are outside the scope of the risk assessment, these are excluded, and this raw material is considered only from SBP- Controlled feedstock.

At the beginning of 2017, 100% of the suppliers that delivered raw material potentially framed in "SBP-compliant feedstock" were evaluated according to the implemented SBE verification requirements.

4.5 Conclusion

The main raw materials and scope of this risk assessment only covers wood pine (*Pinus pinea* and *Pinus pinaster*) from prunings and thinnings, and it excludes clear cuttings/final fellings, which justifies the level of risk obtained in the indicators. The scope of the SBE is just Alentejo. Pellets Power 2 – Produção de Pellets, Lda has been done suppliers audits since 2012, suppliers were involved and they already collaborated with Pellets Power 2 – Produção de Pellets, Lda in Controlled Wood and Due Diligence evaluations. The new unspecified risks were an upgrade in these systems, which have been well received by the suppliers.

Due to the fact that the forestry operations considered in the SBE were homogeneous, it made easier the evaluations, the involvement and the consistency of the results obtained, because there is a lot of practical and theoretical information about these activities, as well as support legislation.

In 2017, all requirements established for primary feedstock suppliers will correspond to the SBE requirements. The risk mitigation system is implemented, and Pellets Power 2 have planned to assess the conformity of all suppliers and new suppliers to SBE requirements.

There is a rural geometric register in Alentejo. The forest areas are bigger than other regions of Portugal, the forestry companies operate for long periods in the same areas, which facilitates the access to information, as well as results obtained and the mitigation of the risks.

The existence of effective legislation and diligent procurement processes that guide industry and landowners on the sustainable management of forests, is also a strong support.

In Alentejo area, forest inventories shows the increase of forest area in case of *Pinus pinea*, and a reduction in case of *Pinus pinaster*, due to phytosanitary problems and fires.

Local communities benefit from the economic impact of the management of forests activities.

In conclusion, raw material supply for pellets production comply with SBP (01/02) requirements, for scope of SBE.

5 Supply Base Evaluation Process

To develop a SBE system, supply assessment and risk mitigation, procedures and actions been performed at Pellets Power 2 using internal staff to develop, complete and monitor the supply base evaluation (SBE). The SBE was developed by Pellets Power 2 – Produção de Pellets, Lda team, which have experience in environment, sustainability and quality in forest areas (FSC® /PEFC). External contribution has been given by health and safety subcontractor.

The development of the SBP SBE mitigation system is based on experience with, ISO 9001 and ISO 14001, Green Gold Label, FSC® system.

Internal team allocated to this process (including – consultation) is composed by a Master Degree in Environmental Engineer and a Master Degree in Forest Engineer (with enough forestry knowledge of the area considered in the SBE, and forestry works developed in that region).

Stakeholders consultation started in june 2016 for some stakeholders. Risk assessment was after improved, and new consultation was done on December 21. During January 2017, some of the stakeholders was consistently consulted (by phone and email).

66 relevant stakeholders have been consulted.

8 answers to main indicators have been received, and they have been very positive feedback, giving low risk value classification for some of the initial unspecified risks.

6 Stakeholder Consultation

The stakeholders consultation process consisted of an analysis of the single area (Alentejo). Key stakeholders have been selected, taking in considerations their activities and knowledge in forest management or/and supply base of raw material.

Initially, Pellets Power 2 – Produção de Pellets, Lda identified some of the suppliers that work in the region and provide raw material to the plant, as well as forest owners associations. After, it was conducted a search of entities that could have a significant contribution and impact in these matters as national and state forest agencies, representatives of forestry certification schemes etc...

The first consultation was conducted via by email from 08.06.2016 and 09.09.2016, but during the following weeks there have been telephone contacts in order to clarify the scope of work. Questionnaire replies / comments were received via email.

The first consultation (June 2016) considered all raw material (*Pinus pinaster*/*Pinus pinae*) and all risks were classified as “Low Risk”.

The second consultation was conducted via by email from the 21.12.2016 (during one month), but during the following weeks there have been telephone contacts in order to clarify the scope of work. Questionnaire replies / comments were received via email.

According to risk designation of risk we could have:

- **Low risk:** An indicator shall be rated as low risk if there is a negligible risk of non-compliance with the indicator.
- **Specified risk:** All indicators that cannot be classified as either low risk or unspecified risk are rated as specified risk. Mitigation measures are required for any indicator which is classified as specified risk.
- **Unspecified risk:** An indicator shall be rated as unspecified risk if there is insufficient evidence available during the RA to categorise it as either specified risk or low risk. Note: An indicator can only be rated as unspecified risk during the RA.

The company sent an email to stakeholders on 21 December 2016. Some responses were received and were positive.

This process revealed that some stakeholders are not generally concerned about the risk assessment or the harvesting activities associated with supplying raw material.

While the first consultation covered all activities related to *Pinus pinea* and *Pinus pinaster*, the second consultation included only a few activities of these species. The first draft considered all indicators as low risk and the **second draft 6 as unspecified risks** (see below).

6 Unspecified risks:

- 2.1.1 The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped
- 2.1.2 Potential threats to forests and other areas with high conservation values from forest management are identified and addressed.

- 2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
- 2.2.4 Biodiversity is protected (CPET S5b).
- 2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
- 2.8.1 Appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).

In the first consultation, 10 stakeholders were consulted (8 answers have been received) in the second consultation 66 stakeholders (21Dec2017) were consulted and some of them were consulted a second time (during January 2017, seconds emails and phone calls has been made). The questionnaire sent in the first RA consultation was resubmitted to the 10 stakeholders (2Fev2017) in order to understand their opinion about the second RA draft. Pellets Power 2 – Produção de Pellets, Lda considered the 8 responses to the questionnaires received on time (See results in the table 1/2/3).

This risk assessment was done only for a specific zone of reception, Alentejo. It has not been done for all Portuguese forest area, but only the one that applies to the reality of Pellets Power 2 – Produção de Pellets, Lda.

This risk assessment evaluation was developed by Pellets Power 2 – Produção de Pellets, Lda for the main raw material species received, *Pinus pinea* (around 70%) and *Pinus pinaster* (around 25%).

6.1 Response to stakeholder comments

In the first consultation, 10 stakeholders were consulted (8 answers have been received) in the second consultation 66 stakeholders (21Dec2017) were consulted and some of them were consulted a second time (during January 2017). Seconds emails and phone calls has been made. Table shows the inputs from the consultation sent to stakeholders for SBP risk assessment for Alentejo (NUTS II).

Risk assessment was conducted according to SBP Regional Risk Assessment Procedure and Standard 1: Feedstock compliance and Standard 2: Verification of SBP-compliant Feedstock.

Invitations were sent out to 66 stakeholder groups (Appendix A), representing different section of interests and expertise, including local state and federal agencies, forest industry participants research institutions, forestry/land owner associations, and NGO's.

The questionnaire sent in the first RA consultation was resubmitted to the 10 stakeholders (2Fev2017) in order to understand their opinion about the second RA draft. Pellets Power 2 – Produção de Pellets, Lda considered the 8 responses to the questionnaires received on time (See results below in the table 1/2/3).

The comments demonstrated that the consultation had not identified any risks that requires further controls or mitigation.

Stakeholders	1.1.2	1.4.1	2.1.1/2.1.2 (US)	2.2.4 (US)	2.5.2	2.8.1 (US)	2.9.2
INIAV	N/A	N/A	Somewhat Consistently	Effective	Most of the time	Very effective	N/A
Florecha – Forest Solutions SA	Always	N/A	Somewhat Consistently	Very Effective	Most of the time	Very effective	N/A
Grupo Altri /Celbi	Always	Very effective	Always	Very Effective	Always	Very effective	Maintained

ANSUB	Always	Very effective	Always	Very Effective	N/A	Effective	Increased
ICNF	Always	Very effective	Always	Effective	Always	Effective	Maintained
Unimadeiras	Always	Very effective	Always	Very Effective	Always	Very effective	Maintained
Abastena	Always	Very effective	Always	Effective	Somewhat Consistently	Very effective	Maintained

Table 1. Stakeholders outputs of inquiry

SBP Indicator	SBP Risk assessment proposal by Pellets Power 2	Biomass timber industry and suppliers timber opinion	Governmental Organization
1.1.2	Low risk	Low risk	Low risk
1.4.1	Low risk	Low risk	Low risk
2.1.1/2.1.2	SR	Low risk	Low risk
2.2.4	SR	Low risk	Low risk
2.5.2	Low risk	Low risk	Low risk
2.8.1	SR	Low risk	Low risk
2.9.2	Low risk	Low risk	Low risk
2.2.3	SR	-	-
2.3.2	SR	-	-

Table 2. Summary of conclusions inquiry

Stakeholder Type	Name of stakeholders responses	Stakeholders provided input
Biomass, timber processing industry, companies	Altri, Florecha,	2
Non-governmental organizations	-	0
Authorities, government agencies	ICNF	1
Associations	ANSUB	1
Forest owners associations	Unimadeiras, Abastena	2
Academic, research institutions	INIAV	1

Table 3. Stakeholders feedback in inquiry consultation SBP risk assessment stakeholder consultation process

Summary of all stakeholder comments received and how the comments were taken into consideration in the process.

Questionnaire sent in first RA consultation - SBP Indicators, discussed in stakeholder consultation process:

- 1.1.2 Rank the level of feedstock that can be traced back to the defined origin of raw material supply base, in the applicable region.

- 1.4.1 Rank the level of Payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, in the applicable region.
- 2.1.2 Are the potential threats to forests and other areas with high conservation values from forest management activities identified and addressed?
- 2.2.4 Rank of the Biodiversity protection.
- 2.5.2 The production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs ?
- 2.8.1 Are the appropriate safeguards in place to protect the health and safety of forest workers, in the applicable region?
- 2.9.2 Analysis demonstrates that feedstock harvesting does not diminish the capability of the forest to act as an effective sink or store of carbon over the long term.
- 2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
- 2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).

7 Overview of Initial Assessment of Risk

Table 1. Overview of results from the risk assessment of all Indicators

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1		x	
1.1.2		x	
1.1.3		x	
1.2.1		x	
1.3.1		x	
1.4.1		x	
1.5.1		x	
1.6.1		x	
2.1.1			x
2.1.2			x
2.1.3		x	
2.2.1		x	
2.2.2		x	
2.2.3			x
2.2.4			x
2.2.5		x	
2.2.6		x	
2.2.7		x	
2.2.8		x	
2.2.9		x	
2.3.1		x	
2.3.2			x
2.3.3		x	
2.4.1		x	
2.4.2		x	
2.4.3		x	
2.5.1		x	
2.5.2		x	
2.6.1		x	
2.7.1		x	
2.7.2		x	
2.7.3		x	
2.7.4		x	
2.7.5		x	
2.8.1			x
2.9.1		x	
2.9.2		x	
2.10.1		x	

Based on the information available during the risk assessment process, the level of risk for each of the criteria was chosen. The majority of criteria were assigned low risk, and 6 as unspecified risk. In table 1 is the summary of the indicator for which unspecified risk was identified. In first risk assessment draft, for low risk assigned and after the collection and analyses of stakeholders results, there were no changes in the proposed categories.

There are no sub-scopes.

Unspecified risks (Pellets Power 2 – Produção de Pellets, Lda)

2.1.1 The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped

2.1.2 Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.

2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

2.2.4 Biodiversity is protected (CPET S5b).

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

2.8.1 Appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Since 2012 Pellets Power 2 (Pellets Power 2 – Produção de Pellets, Lda) is certified by FSC® CW and COC multisite certification systems. Pellets Power 2 – Produção de Pellets, Lda adopted since 2012 audits field, based on FSC®-STD-40-005 Controlled Wood requirements, although Portugal is considered a low risk country by FSC®.

The risk mitigation audit programme is coordinated by the management of Gesfinu Group.

The main goal during the audit is to make sure that raw material suppliers understand the established risks and observe requirements and jointly mitigate the risks.

Based on SBP baseline evaluation requirements and indicators, Pellets Power 2 – Produção de Pellets, Lda improved the audits checklist and verifications including additional aspects to evaluate the characteristics, mainly by initial "unspecified risks" (ex.: HCV template).

The supply verification program consisted of an adaptation of the audits of the FSC® CW and COC checks carried out since 2012.

In case of FSC® field audits, we have evaluated each year 5% of wood suppliers, since 2012 until 2015. In 2016 we have increased 15% of *Pinus pinaster* and *Pinus pinea*, and to 20% in 2017.

Suppliers sampling is evaluated every year, taking in consideration different lands and places from where raw material is received. Actually, each year 20% of the suppliers are evaluated.

The risk assessment is only applicable to SBP "compliant material", for species *Pinus pinea* and *Pinus pinaster* according to the scope of risk assessment.

These species represent the largest percentage of raw material received.

During the audit, the following forms are filled in: Audit template (FSC® COC; Health & safety; SBP STD 01/02; Environmental requirements); Data systems incoming raw material category; non-conformity data results report and mitigation measures if (applicable).

The supplier verification programme procedures are available at the company.

8.2 Site visits

The assessment base is only applicable for compliant material, and /or activities identified in the scope of the risk assessment to be *Pinus pinea* and *Pinus pinaster* according to the scope.

Pellets Power 2 – Produção de Pellets, Lda has implemented the registration verification timber supply. A sample of the local suppliers are selected in terms of: geographical distribution; activities and / or products; size and /or annual production. The responsible of supply will check and verify the authenticity of the documentation specified and required and other evidence relating to the quantity, quality, and meeting the definitions of the FSC®/SBP. The audits are conducted by Pellets Power 2 – Produção de Pellets, Lda staff, and are checked management issues/ forestry, environmental maintenance and safety of workers. A checklist is filled with the supplier's evidence and information. All raw material received can be classified at least as FSC® Controlled Wood.

The first purpose of information collection during field audits is the following:

- Identification, survey and protection of conservation values, protection of biodiversity; On-site visualization of the preventive measures used if there is HCV;
- Inquiries to field operators / suppliers;
- Verify if environmental protection aspects are complied with and controlled by the forestry operator; Verification of the documentation associated with the origin of the raw material and documents of the property/owner: PGF (forestry plan);
- Ensure that the aspects of worker protection in terms of minimum safety standards are being fulfilled by the forestry operator.

It has been found that most forest practices are suitable for good forest management, whose purpose is outlined by the owner and/or governmental obligations.

Pellets Power 2 – Produção de Pellets, Lda has around of 60 suppliers of *Pinus pinea* and *pinaster*.

In 2017 it has been evaluated around 20% of supplier's fiber of the total number suppliers, included in SBE scope.

At the beginning of 2017, 100% of the suppliers that delivered raw material potentially framed in "SBP-compliant feedstock" were evaluated according to the implemented SBE verification requirements.

8.3 Conclusions from the Supplier Verification Programme

Pellets Power 2 – Produção de Pellets, Lda has the suppliers list approved of who can deliver material to SBP compliant (2017), and another list with suppliers that are in the process of verification (2017).

The audits were selected based on the raw material and type of supplier to include the Alentejo region. Depending on the risk level, Pellets Power 2 – Produção de Pellets, Lda first mitigate the risk and only after that material is received as compliant or not.

The forest audits have been carried out, in forest, and loggings suppliers were evaluated, in terms, of HCV, Health & Safety, biodiversity, forest best practices, environmental practices. In what concerns unspecific risk: *high conservation values from forest management activities are identified and addressed, ecosystems and habitats are conserved or set aside in their natural state, Biodiversity protection, trainings provided for personnel, including employees and contractors; safeguards put in place to protect the health and safety of forest workers*. During the audit, the suppliers show if are or not approved and if the wood material can be considered, compliant or not.

At this moment, the result of audits was positive, and no specified risk was identified, and is not mitigated. In this case the supplier is approved and the wood material can be considered, compliant.

If the result was negative in some aspects, the material cannot be sourced and Pellets Power 2 – Produção de Pellets, Lda needs to increase the number of suppliers to be verified in order to get assurance that the risk is mitigated. Pellets Power 2 – Produção de Pellets, Lda has prepared procedures to mitigate the negative results, and then another audit visit is required in order to verify the new mitigations results.

Pellets Power 2 – Produção de Pellets, Lda has planned that during the field audit, if some of the unspecified risks are not "low risk" is necessary mitigated and inform the wood supplier. A new visit can be required, or can be solved on-site, during the evaluation (ex: training, delivery of technical documents).

This non-compliance is noted in the audit report and can be solved during the audit, or afterwards.

9 Mitigation Measures

9.1 Mitigation measures

At this moment, the result of audits was positive, and no risk are identified, it was not necessary mitigate, and the supplier is approved and the material wood can be considering, compliant.

	Risks	Main coments and Mitigation Measure
2.1.1/ 2.1.2	<i>The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped/Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.</i>	Before each site visit the HCV information is search and identified; Fill the audit form; Fill the audit suppliers table vs risk results; If necessary mitigation with training or notify the suppliers and logging workers;
2.2.3	<i>Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).</i>	Before each site visit the <i>ecosystems and habitats</i> information is search and identified; Habitats Directive; Before each site visit the HCV information is search and identified; Fill the audit form; Fill the audit suppliers table vs risk results; If necessary mitigation with training or notify the suppliers and logging workers (exemple birds, protected areas;);
2.2.4	<i>Biodiversity is protected (CPET S5b).</i>	Before each site visit the <i>Biodiversity</i> information is search and identified; Fill the audit form that have the itens do verified in Alentejo region; Fill the audit suppliers table vs risk results; If necessary mitigation with training or notify the suppliers and logging workers;
2.3.2	<i>Adequate training is provided for all personnel, including employees and contractors (CPET S6d).</i>	Fill the health and safety audit form; Fill the audit suppliers table vs risk results; If necessary mitigation with training or notify the suppliers and logging workers; If necessary delivery an informative manual to suppliers with the good practices
2.8.1	<i>Appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).</i>	Fill the audit form; Fill the audit suppliers table vs risk results; If necessary mitigation with training or notify the suppliers and logging workers If necessary delivery an informative manual to suppliers with the good practices

9.2 Monitoring and outcomes

If the result was negative in some aspects/risks, the material could not be sourced as compliant and Pellets Power 2 – Produção de Pellets, Lda increase the number of audits suppliers that needs to be verified in order to get assurance that the risk is mitigate.

10 Detailed Findings for Indicators

Detailed findings for Indicators are provided in Annex 1.

11 Review of Report

11.1 Peer review

Internal Review by a Forest Engineer (Francisco Braga) and Environmental Engineer (Maria João Preto).

11.2 Public or additional reviews

Report is available on Gesfinu company website www.gesfinu.com , for public disclosure.

All requests, if any, by parties concerned shall be sent to company's e-mail address: maria.preto@gesfinu.com

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Maria João Preto</i>	<i>Environmental Engineer</i>	<i>07.02.2018</i>
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	<i>Filipa Rebelo</i>	<i>Director</i>	<i>07.02.2018</i>
	Name	Title	Date

13 Updates

Supply Base Report - Risk Assessment. – Alentejo (Pellets Power 2- Produção de Pellets)

13.1 Significant changes in the Supply Base

No significant changes in to the supply base.

Supply Base Report - Risk Assessment. – Alentejo (Pellets Power 2- Produção de Pellets)

13.2 Effectiveness of previous mitigation measures

-

13.3 New risk ratings and mitigation measures

-

13.4 Actual figures for feedstock over the previous 12 months

0-200,000 tonnes (*Confidential information*)

Fiscal year (2017):

Feedstock

a) Total volume of Feedstock: 0 – 200,000 tonnes

- Arboricultural arising: 0.5 %
- Branch wood: 4.4%
- Low grade roundwood: 88.1 %tonnes
- Final fellings: 5.2 %
- Wood energy crops: 1.1 %
- Secondary feedstock: 0.7 %

b) Volume of primary feedstock: 0 – 200,000 tonnes

- Arboricultural arising: 0.5 %
- Branch wood: 4.4%
- Low grade roundwood: 88.1 %tonnes
- Final fellings: 5.2 %
- Wood energy crops: 1.1 %

c) List percentage of primary feedstock (g), by the following categories.

Subdivide by SBP-approved Forest Management Schemes.

- Certified to an SBP-approved Forest Management Scheme – 62% (SBP – Compliant feedstock)
- Not certified to an SBP-approved Forest Management Scheme - 38% (SBP – Controlled feedstock)

- d) List all species in primary feedstock, including scientific name: *Acacia dealbata* Link; *Acacia melanoxylon*; *Eucalyptus globulus*; *Pinus pinaster*; *Pinus pinea*, *Populus alba*, *Fraxinus angustifolia*, *Cupressus sempervirens*, *Casuarina equisetifolia*, *Prunus dulcis*, *Quercus suber*.
- e) Volume of primary feedstock from primary forest: 108309 tonnes
- f) List percentage of primary feedstock from primary forest (i), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme – 62% (SBP – Compliant feedstock-primary forest)
 - Not certified to an SBP-approved Forest Management Scheme - 38% (SBP – Controlled feedstock-primary forest)
- g) Volume of secondary feedstock: 1.12 % Specify origin and type: Portugal , *Pinus pinaster*, *Pinus pinea*, *Quercus suber*)
 - 1. Wood industry residues: 732.74 tonnes
- h) Volume of tertiary feedstock: 0 tonnes

Origin: Portugal

13.5 Projected figures for feedstock over the next 12 months

0 – 200,000 tonnes (Confidential information)

Fiscal year (2018):

- a) Total volume of Feedstock: 0 – 200,000 tonnes
- b) Volume of primary feedstock: 0 – 200,000 tonnes

Appendix A

Example of stakeholders Letter and Reporting Form

Exmos. Srs.,

No seguimento do email abaixo (enviado no passado dia 21-12-2016), e de maneira a termos novamente a vossa opinião, para facilitar o vosso feedback, gostaríamos de saber se mantêm ou não a resposta ao questionário recebido na anterior consulta (ver email em anexo), mas agora baseado na nova avaliação de risco, que foi sujeita a algumas alterações.

Relembro que esta avaliação de risco tem como pressupostos apenas as atividades de gestão florestal desenvolvidas habitualmente em povoamentos de Pinheiro Bravo e Pinheiro Manso na área de abastecimento de matéria-prima que engloba unicamente a Região do Alentejo (Nuts 2). (página 4 /5 do documento em anexo)

Sendo assim e resumindo, temos inicialmente os seguintes indicadores classificados com risco especificado (página 8 do documento em anexo, tabela 1):

- ***2.1.1/2.1.2 The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped and Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.***
- ***2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).***
- ***2.2.4 Biodiversity is protected (CPET S5b).***
- ***2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).***
- ***2.8.1 Appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).***

Caso considerem que estes riscos possam não ter a classificação de “risco especificado”, mas sim de “baixo risco” nas atividades de gestão florestal consideradas, agradecemos que nos dessem a v/ opinião.

O vosso contributo é-nos importante e fundamental nesta certificação de extensão à norma STD 01 do SBP (com o objetivo de conseguirmos produto final - *SBP compliant feedsctok*, exigência atual dos nossos clientes).

Agradeço a sua atenção aguardando pela sua resposta.

Atenciosamente,

Maria João Preto

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Para: 'antonio.loureiro@unimadeiras.pt' <antonio.loureiro@unimadeiras.pt> Assunto: FW: Consulta às partes Interessadas - SBP 01 - Pellets Power 2 - Análise de Risco - Sustainable Biomass Partnership

Importância: Alta

Exmos Srs.

Segue a versão draft para vossa análise e comentários.

Com os melhores cumprimentos,

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De: Maria João Preto [<mailto:maria.preto@gesfinu.com>]

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Para: 'maria.preto@gesfinu.com'

Assunto: Consulta às partes Interessadas - SBP 01 - Pellets Power 2 - Análise de Risco - Sustainable Biomass Partnership

Exmos Srs.

O Grupo Gesfinu (***Pellets Power 2 – Produção de Pellets, Lda***) obteve a primeira certificação pelo sistema *SBP - Sustainable Biomass Partnership* no país para a produção de *pellets* de madeira, cujo objectivo é garantir o cumprimento das exigências de seus clientes sobre matérias-primas sustentáveis.

A Pellets Power 2 – Produção de Pellets, Lda, encontra-se certificada pelo Sistema Sustainable Biomass Partnership (SBP) para os seguintes referenciais:

SBP Standard 2 - Verification of SBP-compliant Feedstock

SBP Standard 4 - Chain of Custody *SBP Standard 5 - Collection and Communication of Data*

“Scope: Production of wood pellets, for use in energy production, at Pellets Power 2 – Produção de Pellets, Lda and transportation to Sines harbour. The scope of the certificate does not include Supply Base Evaluation”

Neste momento o objetivo da Pellets Power 2 – Produção de Pellets, Lda é alcançar mais um referencial da certificação SBP, neste caso o SBP (01), que engloba a avaliação de risco da base de abastecimento, limitada a nível regional – Alentejo, uma vez que se refere à área de base de abastecimento de matéria-prima (*biomassa florestal*) abrangida por esta instalação.

Tendo em vista a certificação de acordo com o referencial SBP-Standard 1 - Feedstock Compliance Standard, **segue a avaliação de risco desenvolvida pela Pellets Power 2.**

Agradecemos assim a vossa contribuição com comentários e/ou opiniões relativamente a este documento (Draft), para o seguinte contacto: maria.preto@gesfinu.com, sendo que o prazo máximo da sua receção será de um mês.

A título de informação complementar, informamos que o Grupo Gesfinu se encontra certificado pelo sistema multisite para as instalações de Produção de Pellets (incluindo a Pellets Power 2 – Produção de Pellets, Lda) pelo FSC® (*Cadeia de custódia e madeira controlada*) desde 2012, para a cadeia de custódia e madeira controlada (<http://info.FSC.org/details.php?id=a024000000BNTYaAAP&type=certificate&return=certificate.php>).

Desde já agradecemos a vossa colaboração e cooperação neste trabalho, sendo o vosso feedback muito importante para nós.

Com os melhores cumprimentos,

Maria João Preto

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LIST OF STAKEHOLDERS

Stakeholder Type	Geographic area	Stakeholder name
Academic, research institutions	Regional	Departamento de Fitotecnia - Universidade de Évora
Academic, research institutions	National	INIAV - Instituto Nacional de Investigação Agrária e Veterinária, I.P.
Academic, research institutions	National	INIAV-Sistemas Agrários e Florestais e Sanidade Vegetal
Academic, research institutions	European	EFI - European Forest Institute
Associations	Local	AADP - Associação dos Agricultores do Distrito de Portalegre
Associations	Local	AFLOPS - Associação de Produtores Florestais
Associations	Local	AFLOSOR - Associação dos Produtores Agro-Florestais da Região de Ponte de Sôr
Associations	National	ANEFA – Associação Nacional de Empresas Florestais, Agrícolas e do Ambiente
Associations	Local	ANSUB - Associação de Produtores Florestais do Vale do Sado
Associations	Local	ASAFLA- Associação Agro-Florestal do Alentejo
Associations	National	Associação das Indústrias de Madeira e Mobiliário de Portugal
Associations	Local	Associação de Agricultores do Distrito de Portalegre

Associations	Local	Associação dos Agricultores de Grândola
Associations	Local	Associação dos Agricultores do Ribatejo
Associations	Local	Associação dos Agricultores dos Concelhos de Abrantes, Constância, Sardoal e Mação
Associations	National	Centro Pinus - Associação para a Valorização da Floresta de Pinho
Associations	Regional	ENDÉMICA - Associação Florestal do Alentejo, Évora
Associations	Regional	Federação Alentejana de Caçadores
Associations	National	Forestis
Associations	International	ILO - International Labour Office
Associations	National	Ordem dos Biólogos
Associations	National	Ordem dos Engenheiros
Associations	Local	Pinus Verde - Associação para o Desenvolvimento Integrado da Floresta
Associations	Local	SUBERÉVORA - Associação de Produtores Florestais- UNAC
Associations	National	UNAC - União da Floresta Mediterrânica
Authorities, government agencies	National	ACT - AUTORIDADE PARA AS CONDIÇÕES DE TRABALHO
Authorities, government agencies	National	Agência Portuguesa do Ambiente
Authorities, government agencies	National	APA - Instituto da Água
Authorities, government agencies	National	APA-APA - Serviços Descentralizados para assuntos das Regiões Hidrográficas - ALENTEJO
Authorities, government agencies	National	CBE - Centro de Biomassa para a Energia
Authorities, government agencies	Regional	CCDR-ALENTEJO - DRA - ALT - Direcção Regional do Ambiente e do Ordenamento do Território - Alentejo
Authorities, government agencies	Regional	Comissão de Coordenação e desenvolvimento Regional do Alentejo
Authorities, government agencies	Regional	Direcção Regional de Agricultura e Pescas do Alentejo (Ministério da Agricultura)
Authorities, government agencies	National	Escola Superior Agrária de Beja
Authorities, government agencies	National	IAPMEI - Instituto de Apoio às Pequenas e Médias Empresas e ao Investimento
Authorities, government agencies	National	ICNF - Alcácer do Sal -
Authorities, government agencies	National	ICNF - Departamento de Conservação da Natureza e Florestas do Alentejo
Authorities, government agencies	National	Parque Natural da Serra de São Mamede
Authorities, government agencies	National	ICNF - Departamento de Gestão e Produção Florestal (DGPF)
Authorities, government agencies	National	ICNF- Caça e pesca
Authorities, government agencies	National	ICNF- Parque Natural do Vale do Guadiana
Authorities, government agencies	National	ICNF- Reserva Natural das Lagoas de Santo André e da Sancha
Authorities, government agencies	National	ICNF-CITES
Authorities, government agencies	National	ICNF-Departamento de Gestão de Áreas Públicas e de Proteção Florestal (DGAPPF)
Authorities, government agencies	National	ICNF-Departamento de Gestão e Produção Florestal (DGPF)
Authorities, government agencies	National	ICNF-Divisão de Apoio à Produção Florestal e Valorização de Recursos Silvestres (DAFVRS)
Authorities, government agencies	National	ICNF-Gabinete de Valorização de Áreas Classificadas e Comunicação (GVACC)
Authorities, government agencies	National	IFADAP - Instituto de Financiamento e Apoio ao Desenvolvimento da Agricultura e das Pescas
Authorities, government agencies	National	INE - Instituto Nacional de Estatística

Authorities, government agencies	National	Instituto da Conservação da Natureza
Authorities, government agencies	National	IPAC - Instituto Português de Acreditação, I.P.
Authorities, government agencies	National	SEPNA - Serviço de Protecção da Natureza e do Ambiente
Authorities, government agencies	National	Universidade de Évora
Biomass, timber processing industry, companies	Local	ABASTENA, LDA.
Biomass, timber processing industry, companies	International	DRAX
Biomass, timber processing industry, companies	National	EDP
Biomass, timber processing industry, companies	Local	FLORECHA, LDA.
Biomass, timber processing industry, companies	National	Grupo Altri
Biomass, timber processing industry, companies	National	Portucel/Soporcel
Biomass, timber processing industry, companies	Local	SILVITEC
Biomass, timber processing industry, companies	Local	UNIMADEIRAS, SA.
International governmental organizations	International	FAO - Forestry Department
Non-governmental organizations	International	FSC® Portugal
Non-governmental organizations	National	LPN - Liga para a Protecção da Natureza
Non-governmental organizations	National	QUERCUS - Associação Nacional de Conservação da Natureza
Non-governmental organizations	National	SPEA - Sociedade Portuguesa para o Estudo das Aves
Non-governmental organizations	International	WWF European Policy Office (WWF-EPO)

Annex 1: Detailed Findings for Supply Base Evaluation Indicators

	Indicator
1.1.1	The Biomass Producer's Supply Base is defined and mapped.
Finding	The raw material origin is all from Alentejo (which is included in I south Portugal region, see image 1). Pellets Power 2- Produção de Pellets Lda (PP2), receives the majority of fibre from <i>Pinus pinea</i> forest maintained. The forest management practices consist in cleaning the trees and soil, and promoting the wood pine growing. The forestry products derived from the same species: the timber and the pine nut (<i>Pinus pinea</i>). PP2 receives material coming from forest clean operations and pine plantation maintenance (including round wood, pine cones, branches, needles, leaves, thinning etc.), that includes cleaning operations in older forest (more than 40 years). PP2, Lda valorize silvicultural residues, which final destination would be burning or incorporation in the soil. Stone pines (<i>Pinus pinea</i>) comes from the Mediterranean region and from the Iberian Peninsula to the Middle East, excluding North Africa. In Portugal, more than half of the area occupied by the stone pine, is located in the Setúbal district, in particular in Alcácer do Sal. For this reason, Alcácer do Sal district is called the "<i>Solar do Pinheiro Manso</i>". Stone pines, in terms of dominant forest species, has increased, occupying in 2010, 175,742 ha (IFN 6). The main raw materials and scope of this risk assessment include only wood pine (<i>Pinus Pinea</i> and <i>Pinus Pinaster</i>) and from prunnings and thinnings, and are excluded clear cuttings/final fellings , The size of the forest estate has a very marked geographical distribution, and the large number of buildings is located in the north and center, where farms reach up to dimensions of less than 1 hectare. It is estimated that there are about half a million forest owners. The main document serving for forest management is the Forest Management Plan. Plans Forest Management (PGF) are forest management instruments for agriculture or forestry, in which are planned in time and space, the activities of cultural and or exploitation. These plans are aimed at the sustainable production of goods or services originating in forest areas, determined by conditions of economic, social and ecological nature . PP2 has a database with the registration of the origin of wood, including the name of the property, wood species and distance to PP2.

Portugal forest area covers 3 154 800 hectares. According with ICNF (Instituto da Conservação da Natureza e Florestas), forest land use is the dominant use of the mainland (35.4% in 2010).

According ICNF, over 60% of the territory of continental Portugal consists of forest areas, where 84.2% of the forests are located on private land, 13.8% in community land and only 2% in public areas (source: 6.º *Inventory Forest National*. Areas of land use and forest species of Portugal continental (Preliminary results v1.1 | fevereiro 2013)).

All types of forest areas presented in Portugal mainland are plantations, semi-natural and natural forests.

Distribution of soils areas in Portugal (ICNF, 2013): Forests - 35%;Pastures - 32%;Inland water - 2%;Urban - 5%;Agriculture - 24%;Infertile land -2%.

In 2010 the land use Forest is the dominant use in mainland Portugal, occupying 35.4% of the mainland. The woods and pastures are the following class of land use with larger area, the bushes corresponding to 32% of this class. Agricultural areas account for 24% of the mainland.

Distribution of total areas for species / species group Portuguese forest:

***Pinus pinaster* - 23%**; *Eucalyptus spp.* - 26% ; ***Pinus pinea* - 6%**; *Quercus suber* - 23%; *Quercus ilex* - 11%; *Quercus spp.* - 2%; *Castanea sativa* - 1%; Other hardwoods - 6%; Other softwoods - 2%

The area occupied by coniferous species corresponds to 31% of the Portuguese forest, the remainder (69%) is occupied by broadleaf species. The forest area from which the dominant species is the eucalyptus is the largest area of the country (812 000 ha, 26%), cork the second (737,000 ha; 23%), followed by maritime pine (*Pinus pinaster*) (714,000 there is; 23%) and 6% *Pinus pinea*.

FMP (Forest management plan) are implemented since 2000, and (to 2015) cover about 30% of Portuguese forest area and 70% of forest and other wooded land area.

In private areas, forest plans are mandatory for all forest areas greater than a certain area (from 25ha to 100ha, depending on the region). In community and public areas, forest plans are obligatory, for all areas.

In public areas, forest plans are obligatory for all areas;

According to the report - STRATEGY FOR THE ADAPTATION OF AGRICULTURE AND FORESTS TO CLIMATE CHANGE (MAMAOT, 2013):

- The forest areas comprise 5.69 million hectares (64% of the national territory).
- The "Forest" use class is about 3.45 million hectares (39% of the area of the continent), which is one of the highest afforestation rates in the European Union. The *Pinus Pinaster*, *Eucalyptus* and cork oak represent 3/4 of the continent forest stands and are the basis of the main forestry industries.

The area of forest stands has increased over time, mainly by the private investment in the context of the increase in the number of emerging forest ranks, programs to promote afforestation on public and private land and the natural regeneration of the forest.

According IFN 5 the evolution of forest areas by species, during the period between

	1995 and 2005, showed different patterns of variation: Positive variation: • <i>Pinus Pinea</i> + 68%, about 52,000 ha Negative variation: • <i>Pinus Pinaster</i> - 9.1%, corresponding to a reduction of 91,000 ha The negative variation of <i>Pinus Pinaster</i> is associated with the disease of the NMP that affected and affects (see 2.4.2) The Portuguese forest is mostly owned by hundreds of thousands of individual private owners, about 89% of the total area. About 5.3% of the forest area is owned by industrial companies in the pulp and paper chain and the community properties account for about 4.3% of the forest. The state holds only about 1.5% of the forest. • <i>Pinus Pinea</i> has great development in the Península de Setúbal and contiguous zones. <i>Pinus Pinea</i> is a forest species that allows multiple uses, of which the production of edible pine nuts is the most valued, combining a high economic value, environmental protection and landscape in some areas, is an important factor of economic yield. <i>Pinus Pinea</i> is a tree that prefers fresh, deep and sandy soils, adapting even to seafront and dunes. It prefers slightly acidic soils but adapts to calcareous soils if they are not very clayey. It prefers good light and warm temperatures, not supporting strong and / or continuous frost. The wood is resinous so this tree is extracted resin and the wood is very hard, difficult to work but very impermeable. In the Alentejo region there was a net increase in forest area of 25 thousand hectares between 1995 and 2010. The Alentejo region has the highest number of ha of cork oaks, holm oaks and <i>Pinus Pinea</i> trees. Between 1995 and 2005, there was a decrease of 30,600 ha in the area of holm oaks and 15,900 ha in the <i>Pinus Pinaster</i> area in the Alentejo region, with an increase of 15 500 ha in the cork oak area, <u>27 200 ha in <i>Pinus Pinea</i></u> the 17,900 ha of <i>Eucalyptus</i> trees, 800 ha in the oak area and 500 ha in the chestnut trees. The central region dominates at the level of the pine tree brave and eucalyptus and the North region in oak and chestnut trees. (NUTS III - Nomenclature of Territorial Units for Statistical Purposes - Mainland, Azores, Madeira)
Means of Verification	▪ Maps scale are available; ▪ Geographic and other boundaires to the Supply Base are defined and justified.
Evidence Reviewed	▪ Decree-Law No. 254/2009, of 24-09, on the Forest code and 169/2001, of 25-05), revoke by Decree-Laws n.º 12/2012; changes must be submitted to the National Forest Authority (AFN). ▪ Decree-Law No. 16/2009 of 14 January ▪ From 6.º INVENTORY FOREST NATIONAL. Areas of land use and forest species of Portugal continental (Preliminary results v1.1 fevereiro'2013) ▪ Portugal - Global Forest Resources Assessment 2015 – Country Report ▪ http://www.fao.org/documents/card/en/c/709cbfc3-4b71-4390-8419-e1589f0caff8/ ▪ IFN5 - National Forest Inventory

	▪ <i>National Strategy for Forests: Estratégia Nacional para as florestas (EFN) - Resolução do Conselho de Ministros n.º 6-B/2015.</i> ▪ <i>Normas-tecnicas-PGF-AFN</i> : http://www.icnf.pt/portal/florestas/gf/pgf/resource/doc/manual/normas-tecn-PGF-AFN.pdf ▪ INE (2015). <i>Estatísticas Agrícolas</i>. ▪ <i>NUTS2013_INE(2013). AS NOVAS UNIDADES TERRITORIAIS PARA FINS ESTATÍSTICOS</i> ▪ <i>ESTRATÉGIA DE ADAPTAÇÃO DA AGRICULTURA E DAS FLORESTAS ÀS ALTERAÇÕES CLIMÁTICAS – Abril 2013- MAMAOT</i>
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
1.1.2	Feedstock can be traced back to the defined Supply Base.
Finding	Portuguese forest sector (state-of-art) - Pellets Power 2- Produção de Pellets,Lda: The majority of PP2 wood suppliers, work with the Organizations of Forest Producers (OF). Organizations of Forest Producers are a central element in the representation of interests and forest owners and managers, playing a working and support forest owners and producers to achieve the good practices of forest management. The raw material received is from private land suppliers or National Authority forests, and we can found the following situations: - National Authority forests – Cleanings forest /lands (to avoid fires, diseases wood etc...); - Private small land suppliers (to avoid fires, and valorize economical quantities of their raw material etc..) (local suppliers); - Land suppliers < 500 ha , that use the land to for production of pine nuts (local suppliers); - Certificated areas, , are valorized from other kind of industries, for example Paper mill; - 100% certified material very residual because raw material price from certified areas is very high. The option is to guarantee FSC controlled wood in the case of small land suppliers (that is the majority of Pellets Power 2- Produção de Pellets, Lda suppliers); - Raw material close to Pellets Power 2 – Produção de Pellets, Lda is around 90% of Pinus pinea and the rest is 10% (Pinus Pinaster, Eucalytus, etc...) The average size of farms in the Alentejo is 5 times the average area of farms on the mainland, which is affected by the extreme land spraying that occurs elsewhere in the country. The Alentejo has better land conditions than most of the rest of the country. The PP2 has a database with the registration of the origin of wood, including the name of the property, wood species and distance to PP2. The PP2 doesn't import wood, only works with wood Portugal. All pine wood cut is necessary authorization from the state - Manifesto Forestry. The average size of farms in the Alentejo is 5 times the average area of farms on the mainland, which is affected by the extreme land spraying that

	occurs elsewhere in the country. The Alentejo has better land conditions than most of the rest of the country. Thus it can be considered low risk. The cork oak wood is cutting required authorization by the State. According FSC (Forest Stewardship Council) , since 2011 Portugal was considered low risk for the following categories : ▪ Illegally harvested wood ▪ Wood harvested in violation of traditional and civil rights ▪ Wood harvested in forests where high conservation values are threatened by management activities ▪ Wood harvested in forests being converted to plantations or non-forest use ▪ Wood from forests in which genetically modified trees are planted Pellets Power 2 – Produção de Pellets, Lda has already FSC Certificate (Multisite) since 2012, FSC Chain of custody and FSC Controlled Wood Certification. All raw material received by PP2 is classified at least as FSC Controlled Wood. Nevertheless, PP2 has implemented an audits field system to check the compliance timber suppliers with the policy of forestry management, environmental and social questions. Yearly, PP2 select few timber suppliers to audit in field. The audits are conducted by PP2 staff, and are checked management issues/ forestry, environmental maintenance and safety of workers. A checklist is filled with the suppliers evidence and information. Since May 2016, that PP2 require a new document in every incoming raw material designated by "<i>cut timber permission or/and forestry cleanings</i> – named: MOD31), in addition to the already requested forestry logging manifest for conifers, transport documentation records etc. This document has the owner land permission and forestry company that supply the raw material.
Means of Verification	▪ Feedstock inputs, including species and volumes, are consistent with the defined Supply Base; ▪ Forestry logging manifest for conifers (MEF) ▪ Transport documentation records; ▪ <i>Cut timber authorization or/and forestry cleanings</i> – : MOD31
Evidence Reviewed	▪ Decree-Law No. 254/2009, of 24-09, on the Forest code and 169/2001, of 25-05), revoke by Decree-Laws n.º 12/2012; changes must be submitted to the National Forest Authority (AFN). ▪ Decree-Law No. 16/2009 of 14 January ▪ From 6.º INVENTORY FOREST NATIONAL. Areas of land use and forest species of Portugal continental (Preliminary results v1.1 fevereiro'2013) ▪ Portugal - Global Forest Resources Assessment 2015 – Country Report ▪ http://www.fao.org/documents/card/en/c/709cbfc3-4b71-4390-8419-e1589f0caff8/ Decree Law 123/2015 of 3 July and rectification declaration 38/2015, 1 September. Decree Law No. 169/2001, of 25 May, as amended by Decree-Law No. 155/2004, of 30 June.
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
1.1.3	The feedstock input profile is described and categorised by the mix of inputs.
Finding	All raw material received by Pellets Power 2- Produção de Pellets Lda is evaluated as FSC-Controlled Wood (included in our internal suppliers audits), and some percentage is FSC 100%. Portuguese forest sector (state-of-art) - Pellets Power 2- Produção de Pellets,Lda: The majority of Pellets Power 2- Produção de Pellets,Lda wood suppliers, work with the Organizations of Forest Producers (OF). Organizations of Forest Producers are a central element in the representation of interests and forest owners and managers, playing a working and support forest owners and producers to achieve the good practices of forest management. The raw material received is from private land suppliers or National Authority forests, and we can found the following situations: - National Authority forests – Cleanings forest /lands (to avoid fires, diseases wood etc...); - Private small land suppliers (to avoid fires, and valorise economical quantities of their raw material etc..) (local suppliers); - Land suppliers < 500 ha , that use the land to for production of pine nuts (local suppliers); - Certificated areas, are valorised from other kind of industries, for example Paper mill; - 100% certified material very residual because raw material price from certified areas is very high. The option is to guarantee FSC controlled wood in the case of small land suppliers (that is the majority of Pellets Power 2- Produção de Pellets, Lda suppliers); - Raw material close to Pellets Power 2 – Produção de Pellets, Lda is around 90% of Pinus pinea and the rest is 10% (Pinus Pinaster, Eucalytus, etc...) The first goal of forest management is to improve the productions (timber and cones/pine nuts). This strategic forest planning methodology allows the integration of two different silvicultures (timber production or forest products) and the choice of the best in each stand. Pellets Power 2- Produção de Pellets,Lda receives material coming from forest clean operations and pine plantation maintenance (including round wood, pine cones, branches, needles, leaves, thinning etc..), that includes cleaning operations in older forest (more than 40 years). Pellets Power 2- Produção de Pellets, Lda valorize silvicultural residues, which final destination would be burning or incorporation in the soil. The raw material origin is all from Portugal. Pellets Power 2- Produção de Pellets Lda, receives the majority of fibre from Pinus pinea forest maintaince. The forest management

	practices consist in cleaning the trees and soil, and promoting the wood pine growing. The forestry products derived from the same species: the timber and the pine nut (<i>Pinus pinea</i>). All raw material received by Pellets Power 2- Produção de Pellets Lda is evaluated as FSC-Controlled Wood (included in our internal suppliers audits), and some percentage is FSC 100% The Organisation is holding valid FSC Chain of Custody and FSC Controlled wood certificate. Valid FSC system description and other documents exist. The Organisation has implementing FSC credit system. FSC Credit system is used for materials received as FSC certified, FSC Controlled wood and feedstock verified according to the Organisation's own Controlled wood verification system. The Controlled wood system of the organisation is covering only Portugal. No other feedstock is received. Supplier list is maintained. After the reception, incoming feedstock and unloaded into piles according to type of feedstock and load is registered into the recordkeeping system. All input material is weighted and recorded in tones. FSC credit account is updated once in a month: data about received raw materials by FSC certification status and volume of sold pellets are recorded. PP2 mostly use pine wood Pine wood can have multiple exploitations from biomass, lumber, round wood, pallets and furniture. All incoming wood is separated in terms of preferred destination. All the wood of <i>Pinus Pinaster</i> that PP2 receive is wood of poor quality, with maximum diameter of 14 cm. All wood with a diameter wood is crooked and of poor quality, which does not have good characteristics for the sawmill industry.
Means of Verification	Feedstock inputs records
Evidence Reviewed	- Decreto-Lei n.º 95/2011 de 8 de Agosto http://fogos.icnf.pt/manifesto/manifestoadd.asp http://www.icnf.pt/portal/florestas/prag-doe/ag-bn/nmp/manif-efcf-nmp
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

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

Finding	All material is supported with a manifesto documents showing the source (wood pine) and/or EUTR documents that proof origin. PP2 also separately provided an excel spreadsheet showing how they track the material they receive. In case of wood pine (logs, sawdust, shavings, forest residues, branches, etc), there are specific rules (wood national regulation), that controlling the cut, transport, and destination of wood. This legal document needs to be done every loading of wood material. The document information should be previous checked by a legal informatics system (AFN – Portuguese National Authority by forest). AFN only emitted the document if all information is true. In Alentejo all land owners of properties are known. Any property is necessary to be registered with the Ministry of Finance and has the municipal tax on real estate required. The land property has a section number and article that is provided to PP2. According DGT (General Manangement of Territory) for Alentejo there are available territory register to all municipalities. All Alentejo has geometrical register of rustic properties. http://www.dgterritorio.pt/cadaastro/cadaastro_geometrico_da_propriedade_rustica_cgpr/_consultar_seccoes_cadastrais/ . In Portugal there a robust fiscal system that all land owners need to pay yearly the property tax (IMI - <i>Imposto Municipal sobre Imóveis</i>) , supported by Decree-Law No. 287/2003 of 12/11, DR no 262 I-Series - Municipal Property Tax Code and the Municipal Tax Code. Portuguese ministry of finance has a severe control to checked this payments, through inspectors and internet program : https://www.portaldasfinancas.gov.pt/pt/home.action. According the results published by Transparency International (a global network of anti-corruption NGO represented in Portugal by the Transparency and Integrity, Civic Association (TIAC), Portugal is still no progress in the Corruption Perceptions Index. Portugal repeated the score of last year - 63 points on a scale of 0 to 100, with 100 "very transparent" and 0 "not transparent".https://transparencia.pt/2016/01/27/cpi2015/
Means of Verification	▪ Feedstock inputs, including species and volumes, are consistent with the defined Supply Base; ▪ Forestry logging manifest for conifers (MEF) ▪ Transport documentation records; ▪ Documents demonstrating that the Biomass Producer is a legally defined entity.
Evidence Reviewed	▪ Regulation (EU) No 995/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL - 20 October 2010 laying down the obligations of operators who place timber and timber products market ▪ www.icnf.pt/florestas ▪ Decree-laws n. °254/2009, of 24-09, on the Forest code and 169/2001, of 25-05), revoke by Decree-Laws n.º 12/2012; changes must be submitted to the National Forest Authority (AFN). ▪ www.gnr.pt

	▪ www.afn.min-agricultura.pt ▪ www.act.pt ▪ Decree Law No. 287/2003 of 12 November ▪ http://www.dgterritorio.pt/cadastro/cadastro_geometrico_da_propriedade_rustica_cgpr/_consultar_seccoes_cadastrais/ ▪ https://www.portaldasfinancas.gov.pt/pt/home.action ▪ https://transparencia.pt/2016/01/27/cpi2015/ ▪ Decree-Law No. 287/2003 of 12/11, DR no 262 I-Series - Municipal Property Tax Code and the Municipal Tax Code.
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
1.3.1	The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements.
Finding	In Portugal there is a robust legal system which includes the activities of forest harvesting and wood purchase, with responsibilities shared among three regulatory entities. According FSC: “.. the conclusion is that in Portugal there is a robust legal system that includes forest harvesting and wood purchasing activities, with responsibility shared among various regulatory bodies. Examples of this are: – DL 173/88, 17-05 – Prohibition of premature logging of forest populations (AFN) – DL 174/88, 17-05 – Declaration of logging or harvesting trees (AFN) – DL 169/2001, 25-05 – Establishes measures for protection of the cork oak and holm oak (AFN) – DL 95/2011, 08-08 – Establishes extraordinary phytosanitary measures indispensable for the control of the pinewood nematode and its insect vector. – DL 423/89, 04-12 – System for protection of spontaneous growth holm oaks – Mandatory documentation of transport (national and international) – transportation waybills and CRM, applicable to all goods in movement and subsequently (Decree-Law No. 45/89, 11-02) (Traffic Brigade).” “In consultations with various national and international sources, no reports or significant evidence were found of illegal forest harvesting. Regarding this indicator, Portugal can be considered a low risk area.” The risk of receiving timber tropical wood is zero.

	The Regulation No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products market (EUTR). The EUTR establishes the requirements that companies in the European Union (EU) must meet in order to minimize the risk of marketing illegal timber. More specifically, the Regulation requires the companies who place timber and / or timber products on the European market to implement a set of procedures and measures called System Due Diligence. According ICNF, since 5 June, the Decree-Law No. 76/2013 establishing the Wood Operator Registration and Derivative Products and establishes the penalties applicable to infringements of Regulation (EU) No 995/2010 was published, the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products market, defining the control measures and monitoring their application in the country. Thus, according to that statute, all operators who place timber or timber products on the internal market for the first time are required to hold a due diligence system (. In order to facilitate the verification procedure, national legislation stipulates that operators must register with the competent authority. Registration is simple, consisting of form filling with the company identification data and indicating the products you want to place on the market. (http://www.icnf.pt/portal/florestas/fileiras/reg-op) At the same time, PP2 request information to compliant the EUTR requirements, such as the cut declaration for wood, which include a lot of information about the origin and stakeholders.
Means of Verification	▪ Feedstock inputs, including species and volumes, are consistent with the defined Supply Base; ▪ Forestry logging manifest for conifers (MEF) ▪ Transport documentation records; ▪ Existing legislation ▪ PP2 demonstrate that the risk of sourcing illegally-harvested feedstock is low. ▪ Reference to sources of information in guidance notes
Evidence Reviewed	▪ Regulation (CE) No 338/97, Decree Law No. 211/2009 (CITES), Decree Law No. 76/2013; ▪ www.portugal.gov.pt/pt/osministerios/ministerio-dajustica.aspx ▪ http://ec.europa.eu/environment/forests/ ▪ www.illegal-logging.info ▪ www.provedor-jus.pt ▪ www.icnf.pt/florestas ▪ (previously www.afn.minagricultura.pt) ▪ http://www.icnf.pt/cn/ICNPortal/vPT2007/ (previously www.icnb.pt)3 ▪ www.asae.pt ▪ www.gnr.pt ▪ www.psp.pt ▪ www.imtt.pt ▪ www.portaldasfinancas.gov.pt ▪ www.transparency.org

	- Regulation (EU) No 995/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL - 20 October 2010 laying down the obligations of operators who place timber and timber products market - Decree-laws n. °254/2009, of 24-09, on the Forest code and 169/2001, of 25-05), revoke by Decree-Laws n.º 12/2012; changes must be submitted to the National Forest Authority (AFN).
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
1.4.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date.
Finding	In Portugal there are no forest harvesting specific fees such as royalties, stumpage fees and other volume based fees. There are also no fees based on quantities, qualities and species. The value added tax (VAT) in Portugal is paid by all persons, having annual turnover from their business activities higher than 10.000 EUR. State Tax Inspectorate is responsible for collection of VAT, which has to be declared monthly or quarterly depending on the previous year's turnover be above or below 650.000,00, respectively. The tax authority has set up measures to control the issuance of invoices and the related procedural aspects. People natural or legal, having their registered office, permanent establishment or tax residence in Portuguese territory and here practice subject to VAT, are required to report to the Tax and Customs Authority (AT), for electronic data transmission, the elements of the invoices issued under the VAT Code. The notice referred to in the preceding paragraph shall be made by the 25th of the month following the invoice issued.
Means of Verification	- Records of payments and correspondence with revenue authorities show payments - Accounting external Audits
Evidence Reviewed	http://www.citius.mj.pt/Portal/consultas/ConsultasCire.aspx - Decree-Law No. 7A / 2016 of 30 March http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
1.5.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES.
Finding	This Convention, the annexes include about 5200 species 28 500 fauna and flora species, is a tool fundamental protection and conservation of species, which contributes to mitigate the global crisis of biodiversity loss. The chief administrative officer, responsible for compliance and enforcement of the CITES Convention in Portugal, it is the ICNF, I. P. CITES species are also not used in biomass production. Pellets Power 2- Produção de Pellets, Lda feedstock : - None of the species received is CITES-listed. Pinus pinea; Pinus pinaster;
Means of Verification	▪ CITES species are known and identified; ▪ List of species identified ▪ List of species purchased by PP2. ▪ Records of field inspections.
Evidence Reviewed	▪ http://www.icnf.pt/portal/cites/que-e ▪ Decree-Law No. 211/2009 (CITES)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
1.6.1	The Biomass Producer has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.
Finding	Pellets Power 2- Produção de Pellets, Lda feedstock : - None of the species received is from areas where are violations of traditional or civil rights. There are no indigenous people in Portugal . In Portugal, there are no groups of individuals having customary rights to forest harvesting activities. To be in private forests is necessary to have permission from the owner. In public forests and in areas open to the public people can make use of forest areas. To be in private forests is necessary to have permission from the owner. In public forests and open areas for public people can make use of forest areas. In hunting areas is forbidden picking mushrooms, asparagus and other wild products.
Means of Verification	▪ Records of payments and correspondence with revenue authorities show payments are correct. ▪ Traditional and civil rights are identified
Evidence Reviewed	▪ http://www.hrw.org/world-report/2015 ▪ The World Report 2015 lists human rights concerns or alarming cases found in EU countries as part of the EU chapter. Portugal does not feature in this chapter. ▪ No other relevant information about Portugal on the HRW website.

	Article 1305, 1444 and paragraph 1 of Article 1451 of the Civil Code.
Risk Rating	☒ Low Risk ☐ Specified Risk RA ☐ Unspecified Risk at RA

	Indicator
2.1.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation values are identified and mapped.
Finding	In Portugal, there are a strong system of protection (effective protected areas). Forestry related protected areas and species can be seen in public forest website. (ICNF- Institute for Nature Conservation) All Portugal protected areas are referenced by ICNF. Protected areas are divided into national parks, natural parks, nature reserves, protected landscapes, natural monuments, protected landscape, regional natural park, the local nature reserve, regional protected landscape, site protected landscape and private protected area. There protected forest species, considered as monumental trees. Any forestry operation in this type of trees is necessary authorization from ICNF. All this information is available in ICNF for consultation of interested people. FSC refers as key sources on eco-regions work carried out by WWF, Conservation International, GreenPeace and IUCN, among others. In Portugal, the dominant eco-region by far is Mediterranean Forests, Woodlands and Scrub; a detailed description of the HCV associated to this eco-region can be found on the WWF. The main threats mentioned by WWF are continuing conversion of these forest areas to agriculture, grazing or urban use. Other threats are frequent fires, harvesting of the remaining areas of natural forests, the excessive use of exotic species and overgrazing. According FSC Portugal, a strong system of protection (effective protected areas): in Portugal, However, the national nature conservation system is based on legal protection regimes (such as the National network of protected areas, Natura 2000 network, etc.), which limits the activities allowed in these areas. There is also an inspection authority, SEPNA, whose results, and their effectiveness, have increased over the years. In Portugal, the legal system has created the National System for Protected Areas (SNAC) which was structured by Decree-Law No. 142/2008 of 24 July, amended and republished by Decree-Law No. 242/2015 of October 15, being constituted by the National Network of Protected Areas (RNAP), the Protected Areas that make up the Natura 2000 network and the other areas classified under international commitments of the Portuguese State. • National Network of Protected Areas - on the mainland, the Azores and Madeira; • Natura 2000 network; • Ramsar Sites;

- Biosphere Reserves.

This protected areas and maps are available to everybody and category species.

In March 2014, were 31 Ramsar sites existing in Portugal, totaling 132,487.7 ha. (In Portugal there are currently enrolled in the World Network of Biosphere Reserves, 10 Biosphere Reserves Portuguese.

WWF:

WWF launched in September 2010 the report "*Hotspots of Biodiversity and Ecosystem Services Assembled*", which identifies and geographically quantifies the so-called High Conservation Value Areas in the south of Portugal, particularly in mounted cork oak and holm oak, which values as biodiversity, carbon storage and regulation of the water cycle are of critical importance.

The Protection Service of Nature and Environment (SEPNA) has the task of ensuring compliance with legal and regulatory provisions relating to the protection and conservation of nature and the environment and water resources.

In Alentejo, protected species are covered by legal instruments existing conservation in Portugal country network Natura 2000 (Habitats and Birds Directive), National Ecological Reserve (REN) and National Agricultural Reserve (RAN).

Natura 2000 is a network of designated areas to conserve habitats and rare wild species threatened or vulnerable in the European Union. Results from the implementation of two separate Community Directives:

- Birds Directive (79/409 / EEC of 2 April) on the conservation of wild birds.
- Habitats Directive (92/43 / EEC of 21 May) on the protection of wildlife habitats and fauna and flora.

The aim of the Berne Convention is to conserve wild flora and fauna and their natural habitats, especially those species and habitats whose conservation requires the cooperation of several States, and to promote such cooperation. It is assigned a particular emphasis on endangered or vulnerable, including migratory species.

The Bonn Convention aims at the conservation of migratory species throughout their range as well as the respective habitats.

CITES or Washington Convention aims at the protection of wild fauna and flora in international trade

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The National Ecological Reserve (REN) is a biophysical structure that integrates areas of value and ecological sensitivity or exposed and susceptibility to natural hazards. It is a public utility constraint that determines the occupation, use and transformation of soil uses and actions consistent with its objectives.

National Agricultural Reserve (RAN) is defined as the land set that, depending on their characteristics in terms of agro- climatic, geomorphological and pedological, which have greater aptitude for agriculture activity

The RAN is a territorial management tool, which consists of a public utility restriction, by

	establishing a set of constraints to non-agricultural land use, and which plays a key role in preserving the soil resource and its allocation to agriculture.
Means of Verification	- Maps - Regional, publicly available data from a credible third party - The existence of a strong legal framework in the region. - GIS maps of HCV areas - Sheets of ecological characterization and management of natural values of the Sectorial Plan of the Natura 2000 network
Evidence Reviewed	- Protected Portuguese National areas (http://www.icnf.pt/portal/ap) 6.º Inventário Florestal Nacional (6th National Forest Inventory – IFN6-preliminary results) - Decree Law No. 142/2008 of 24 July. Decree Law No. 242/2015 of 15 October http://www.icnf.pt/portal http://www.cedr-lvt.pt/pt/reserva-ecologica-nacional-ren/1345.htm http://www.dgadr.mamaot.pt/ambord/reserva-agricola-nacional-ran http://www.icnf.pt/portal/naturaclas/rn2000/rn-pt/rn-contin/sic-pt) http://www.icnf.pt/portal/naturaclas/ei/ramsar https://www.unescoportugal.mne.pt/pt/redes-unesco/rede-portuguesa-de-reservas-da-biosfera http://www.ramsar.org - FSC: Guia de boas práticas para identificar AVCs em diferentes ecossistemas e sistemas de produção.https://ic.fsc.org/preview.guia-geral-para-identificacao-de-altos-valores-de-conservacao-portugues.a-3705.pdf
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.1.2	The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.
Finding	The protected areas that can be receiving raw material, are public forest, that are controlling by the forest ministry. Protected areas created and managed by the national authority for nature conservation. Protected Areas are areas created and managed by the national authority may, however, be proposed by any public or private entities, including local authorities and environmental non-governmental organizations. In forest areas where there are protected species, they are identified and flagged for your protection. In state forests are audits by ICNF to see the protection of these species. In Portugal each property, whether public or private, must have a forest management plan. In this document all protected species and areas with high conservation value should be identified. All activities in this plan and have public funds for their implementation shall be monitored by the state.

	The Natura 2000 is a network of designated areas to conserve habitats and rare wild species threatened or vulnerable in the European Union (see on 2.1.1.). Natura 2000 is an ecological network for the European Union Community space resulting from the application of Directive 79/409 / EEC Network of April 2, 1979 (Directive Birds) - repealed by Directive 2009/147 / EC of 30 November - and Directive 92/43 / EEC (habitats Directive), which aims to ensure the long-term conservation of species and most threatened habitats in Europe, helping to stop the loss of biodiversity. The Natura 2000 in the Portuguese mainland is defined by zone, and have the map, list and information on each of the Sites of Community Importance (see http://www.icnf.pt/portal/naturaclas/rn2000/rn-pt/rn-contin/sic-pt) The Sector Plan of Natura 2000 (PSRN2000) is a territorial and governmental Portuguese management tool aimed at safeguarding and enhancement of sites and SPAs (Special Protection Areas) of the mainland, as well as the maintenance of species and habitats in conservation status favorable in these areas. In essence, it is an instrument for the management of biodiversity. This is a plan developed to a macro-scale to the mainland, which features natural and semi-natural habitats and species of flora and present fauna on the Sites and SPAs, and define the strategic guidelines for the management of the territory covered by these areas, considering the natural values that occur in them. (http://www.icnf.pt/portal/naturaclas/rn2000/p-set/q-e) The ICNF provides the sheets ecological characterization and management of natural values of the Sectorial Plan of the Natura 2000 network on web site.
Means of Verification	- Public Regions Maps - Maps, records of PP2 fiel inspections - Sheets of ecological characterization and management of natural values of the Sectorial Plan of the Natura 2000 network
Evidence Reviewed	http://www.icnf.pt/portal/ap/amb-priv http://www.icnf.pt/portal/ap/nac www.icnf.pt/florestas - Decree Law No. 169/2001 of 25 May, Decree Law No. 243/89 of December 4 (http://www.icnf.pt/portal/naturaclas/rn2000/p-set/q-e) http://www.icnf.pt/portal http://www.ccdr-lvt.pt/pt/reserva-ecologica-nacional-ren/1345.htm http://www.dgadr.mamaot.pt/ambord/reserva-agricola-nacional-ran http://www.icnf.pt/portal/naturaclas/rn2000/rn-pt/rn-contin/sic-pt) Directive 92/43 / EEC of 21 May 1992, "on the conservation of natural habitats and of wild fauna and flora", known as "the Habitats Directive" aims to contribute to the conservation of habitats natural (Annex I) and species of flora and wild fauna (Annex II), with the exception of birds (protected by the birds Directive) considered threatened in the European Union. http://www.dgterritorio.pt/cadastro/cadastro_geometrico_da_propriedade_rustica__cgpr/_consultar_seccoes_cadastrais/
Risk Rating	☐ Low Risk ☐ Specified Risk ☒ Unspecified Risk at RA

Comment or Mitigation Measure	Nevertheless, PP2 has implemented an audits field system to check the compliance timber suppliers with the policy of forestry management, environmental and social questions. Yearly, PP2 select few timber suppliers to audit in field. The audits are conducted by PP2 staff, and are checked management issues/ forestry, environmental maintenance and safety of workers. A checklist is filled with the suppliers evidence and information. For all raw material , before the purchase of the wood PP2 staff, visit the local timber wood where it is from and checking if meets the covered legal regulation.
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	Indicator
2.1.3	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.
Finding	The larger part of the wood of this regions comes from thinnings and pruning activities . There is a small percentage of areas with clearcut. Most of the time when it makes the clear cut is made new planting of forest species. The authorization for new plantings is issued by ICNF. Thus the risk assessment for this point is low. According to the National Forest Inventory (IFN6), <i>"it can be seen that the net decrease of forest areas are mainly due to the conversion to the use of class "woods and pastures" . In addition to this conversion of use, significant amount of land area in forest use that are converted to urban use between 1995 and 2010.</i> <i>Note that although there is a decrease in forest area, the fact that this not be stressed demonstrates the significant forest resilience to strong disturbances to which he was subjected during the period under review. On the one hand, the very serious forest fires in the last two decades, and on the other, the occurrence of diseases such as nematode pine wood which has severely affected the pine-bravo national, forcing the realization of exceptional courts for enforcement of phytosanitary regulations ."</i> Ministry of Agriculture, Forestry and Rural development is controlled through ICNF (regulates and controls laws afforestation in Portugal with forestry technical). Decree Law 96/2013 of 19 July- Establishes the legal regime to which they are subject, on the mainland, the actions of afforestation and reforestation with the use of forest species without prejudice to the provisions of Law No. 159/99, September 14 . According to the Portuguese government policies, the actions of afforestation and reforestation are subject to legal regulation since the adoption of the Forest Scheme in 1901, which now frame the initiatives, public or private nature, carried out in the forest area. Afforestation and reforestation activities can promote both the productive recovery of wild spaces, or the restoration of degraded ecosystems and the evolution of the composition of the pre-existing settlements, adapting them to the forest management objectives of forest owners and managers. The planning and implementation should therefore ensure the pursuit of natural resource conservation objectives and rationalization of land use

identified in 'general models of forestry and resource management' in the regional plans of forest management (PROF) and forest management plans (FMP), established by Decree-Law No. 16/2009 of 14 January, as amended by Decree-Law No. 114/2010 of 22 October.

The Decree Law 96/2013 of 19 July decree applies to the actions of afforestation and reforestation, regardless of the project area, the species involved or the quality and nature of interested in intervention, without prejudice to the provisions of Law No. 159 / 99 of 14 September.

Except, the following afforestation and reforestation: To exclusively agricultural purposes; , framed in urban operations subject to prior checking and road infrastructure; That alone or continuing with existing crops, do not constitute afforestation.

Are subject to prior notice the actions of afforestation and reforestation with the use of forest species in the situations listed below:

a) When if the following cumulative conditions:

i) The intervention area less than two hectares;

ii) Do not insert, all or part of the National System for Protected Areas, such as defined in Decree-Law No. 142/2008 of 24 July;

iii) Do not perform on land covered by fires in the previous 10 years;

iv) In the case of repeat of the same afforestation, not change the species or dominant species previously installed.

b) When they are provided for in forest management plan approved in favor of the express decision ICNF, IP, integrating all afforestation project content elements or reforestation referred to paragraph a) of paragraph 2 and paragraph o 3 of Article 7

2 - Prior notice must be submitted with at least 20 days prior to the beginning of the respective action, otherwise it will not produce any effects.

3 - The prior notice of shares must be implemented within two years from the date of its submission.

The recovery failure program approved by ICNF, I.P. are punishable second the national legislation.

The main forest residues from management forest land is Pinus that Pellets Power 2 received is Pinus Pinea (around 85%) and then Pinus Pinaster (around 11%).

Pellets Power 2 is receive forest residues, from thinnings and forest operations, that the goal is improve the fruit production.

The main raw material received is the pinus pinea and resulting from thinning and prunings. In pinus pinea the thinning is performed to 10 years (plantations made in 2006 or before). With 10 years the stone pine has only branches without wood.

Thinning and pruning in adult pine is done on trees older than 50 years, planted long before 2008.

Due to forest fires and the phytosanitary problems, the pine, in the last National Forest Inventory, decreased by 263,000 hectares between 1995 and 2010. It occupied in 2010, about 714 445 000 hectares (IFN 6).

As in forest stands of other species, the maritime pine (Pinus Pinaster) should be subject to pruning and thinning.

Due to forest fires and the phytosanitary problems, the pine, in the last National Forest Inventory, decreased by 263,000 hectares between 1995 and 2010. It occupied in 2010, about 714 445 000 hectares (IFN 6).

As in forest stands of other species, the maritime pine (Pinus Pinaster) should be subject to pruning and thinning.

	In the maritime pine pruning the goal will be the best quality timber production (sawmill, paper and unwinding) preventing the formation of dead knots. In case of thinning, the aim is final cut, formed stands for good quality trees to the noblest uses. This is achieved by decreasing the density, choosing the best trees, future of trees, according to the position covered, the quality of the stem, the conformation of the crown and its spatial distribution in the population. In the case of pinus pinaster, a small percentage than pinus pinea are received by PP2, and the majority is from phytosanitary diseases or forest residues, tops and branches that are excluded from the main industry (ex: papermills, sawmills). The forest residues received are from forest planted or natural regenerations before 2008.
Means of Verification	- Historical maps and suppliers inquiry - Existing legislation - Existing legal systems - Results Interviews suppliers staff - PP2 staff visits the origin of timber before incoming
Evidence Reviewed	- Decree Law 96/2013 of 19 July- Establishes the legal regime to which they are subject, on the mainland, the actions of afforestation and reforestation with the use of forest species - From 6.º INVENTORY FOREST NATIONAL. Areas of land use and forest species of Portugal continental (Preliminary results v1.1 fevereiro'2013) - FAO 2015, Portugal, Global Forest Resources Assessment 2015, Country Report Portugal Rome, 2014 - ICNF - Institute for Nature and Forests Conservation. http://www.icnf.pt/portal/florestas/arboriz - ICNF- NAVIGATION MANUAL MODULE RJAAR AFFORESTATION OF SHARES AND REFORESTATION. November 2014. INTEGRATED INFORMATION FOR CONSERVATION NATURE AND FORESTS (SIICNF)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.2.1	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.
Finding	The national legal system provides a framework for forest planning and management, with 3 levels of forest planning: Regional Forest Management Plans ("Planos Regionais de Ordenamento Florestal – PROF") – These are sectorial policy instruments for the regional level;

- II. Forest Management Plans (unit level) (“Planos de gestão florestal”- PGF) – These are tools for managing forest areas at the unit/holding level (including Intervention Forest Zone (ZIF), according to the guidelines defined in the respective forest regional plan. The FMP include biodiversity management program for nature conservation (Natura 2000 sites, protected areas at national level and other areas protected for nature and biodiversity reasons such as under Ramsar Convention).

The FMP requires the linkage to the main land management tools prescriptions (e.g. land use municipal plans, watershed management plans) and forest higher hierarchy plans (e.g., RFP, municipal plans for forest fire protection).

It is mandatory to comply with the laws relating to forest fire protection around buildings, infrastructures and urban settlements.

- III. Specific Forest Intervention Plans (Planos Específicos de Intervenção Florestal – PEIF) – These are instruments that design specific intervention measures in forest areas that have major biotic (e.g. incident cases of invasive plant or pest or diseases outbreaks) or abiotic problems (e.g. very high forest fires’ risk).

The public consultation is mandatory for publicly and community owned forests. In the case of private forests, public consultation is mandatory only when the FMP refers to a Forest Intervention Zone (ZIF).

The FMP is valid for the same period as the respective regional forest plan, while the same legal framework provides that the maximum validity of a regional plan is 25 years. Furthermore, note that at any time the FMP can be revised when there are relevant changes in the conditions underlying its elaboration.

Forest Management Plans (including Intervention Forest Zone (ZIF), Community Use Area Plan (PUB) and Intervention Special Plan (PEIF)) have been in place since 2000, and (to 2013) cover about 44% of Portuguese forest area.

In private areas, forest plans are mandatory for all forest areas greater than a certain area (from 25ha to 100ha, depending on the region); [One of the Regional Plans of Forest Management goals is the definition of the minimum area of holdings with the obligation to base their action on Forest Management Plans, elaborated according to rules defined by Decree Law 205/99 of June 9. According to the Regional Plan of Forestry Management of Alto Alentejo, Alentejo Central, Baixo Alentejo and Alentejo Litoral, the area of the farm in accordance with the national legislation related to PROF, from which it is mandatory to prepare a Forest Management Plan, is 100 ha.](#)

In public areas, forest plans are obligatory for all areas; however numbers from 2012 indicate that only 43% of these forests have the PGF. As of 2015, it is an objective of the forest authority ICNF that 100% of its areas should have a PGF by 2017.

In community areas, forest plans are obligatory for all areas; however 2015 data show that Forest Plans (PUB) are in place in only 60% of cases.

The relationship between Management Plans and cutting or harvesting is not a direct one, as there is no requirement for a harvesting plan for commercial harvesting of most species. However, for certain species (e.g. Cork Oak, Holm Oak and Holly) some

requirements are in place. For these species a license is required (where no Forest Management Plan is in place) or the forest authorities (ICNF) shall be informed prior to harvesting (where no management plan exists). An approved management plan or permit is required for some zones within protected areas for native species harvesting. In classified areas (RN2000), all forest conversions above 5 ha must have a permit; however this excludes normal forest activities.

Assessment of law enforcement

FMP are implemented since 2000, and (to 2015) cover about 30% of Portuguese forest area and 70% of forest and other wooded land area.

In private areas, forest plans are mandatory for all forest areas greater than a certain area (from 25ha to 100ha, depending on the region) In community and public areas, forest plans are obligatory, for all areas.

In public areas, forest plans are obligatory for all areas; however numbers from 2015 indicate that only 83% of forest and other wooded land area have the FMP.

In community areas, forest plans are obligatory for all areas; however 2015 data show that Forest Plans (PUB) are in place in only 60% of cases.

Regarding forest owners that are not bind to have a FMP, the regional forest plan (RFP) provide them with adequate general guidance and, in addition, there is national level legislation that includes some specific mandatory operational rules, for instance regarding protection of species, of soil or forest fires' prevention; the municipal and other land use plan also have to be taken into account and give some mandatory rules. In the new legal regime to be applied artificial (re)afforestation actions resulting from the establishment of forest species stands by seeding or planting are covered and it is ICNF's competence to assure all previous allowance and communication procedures concerning related actions, by establishing a control, assessment and information system;

As there is no harvesting planning, there is no requirement for a harvesting plan for commercial harvesting of most species. However, for certain species (e.g. Cork Oak, Holm Oak and Holly) the cut is not allowed and a permit is required.

Despite this being an obligatory requirement, there are risks that wood comes from a forest area where no Forest Management Plan is in place. Such risks, however, are considered to be low because:

- The risk is temporary, as the number of approved Management Plans has increased greatly in the past few years;
- Such risks cause a limited impact on forest resources as they are not directly related to forest harvesting;
- There is national level legislation that includes some specific mandatory operational rules, for instance regarding protection of species, of soil or forest fires' prevention; the municipal and other land use plan also have to be taken into account and give some mandatory rules.

In the new legal regime to be applied artificial (re)afforestation actions resulting from the establishment of forest species stands by seeding or planting are covered and it is ICNF's competence to assure all previous allowance and communication procedures concerning related actions, by establishing a control, assessment and information system.

One of the Regional Plans of Forest Management goals is the definition of the minimum area of holdings with the obligation to base their action on Forest Management Plans, elaborated according to rules defined by Decree Law 205/99 of June 9. According to the Regional Plan of Forestry Management of Alto Alentejo, Alentejo Central, Baixo Alentejo and Alentejo Litoral, the area of the farm in accordance with the national legislation related to PROF, from which it is mandatory to prepare a Forest Management Plan, is 100 ha.

Throughout the Alentejo region, forest operations are generally carried out taking into account the following aspects:

- the existence of a management and forest management plan that guarantees the sustainability of the forest area subject to exploitation.
- the best productivity at the lowest possible cost.
- the best possible use of the products and the trees that give rise to them.
- respect for the environment, in particular with regard to infrastructure and other existing assets, as well as species susceptible to trampling and care to prevent the abandonment of deteriorated materials and maintenance material in the forest.
- the prevention and safety standards for forest fires.
- respect for the norms and conditions of safety, hygiene and health in forestry work.
- the conservation and protection of the trees to be maintained.
- the legislation specifically applicable.

These operations are often accompanied by a forestry technician, belonging to an Association of Forest Producers.

The contracts are the responsibility of the contracting agent before third parties and contractor, who must demand and control the subcontractor under the conditions indicated. Whenever any operation may interfere with the property of third parties, they are previously contacted and an agreement is established that allows the correct execution of the forest activities.

Prior to start forest work, the raw material supplier shall draw up an operational plan for the thinnings and prunnings processing that takes into account the type of trees and the volume of woody material to be removed, the necessary equipment and manpower the impacts intervention.

The forest stands prunnings and thinnings can be affected by external factors(biotics and abiotics) such as for example: pests and diseases in the pine forests, fires, resin and/or fruit production, later management of the pine forest, productions and plantations of leguminous species either for nitrogen uptake and fertilization of soils or for livestock feed, re-plantation of the same species, etc...

The activities of thinning and pruning does not interfere with the risk of soil erosion, because the objective is not the final cut but the increase of productivity and forest...

According, Projecto AGRO 945 “**CONDUÇÃO DE POVOAMENTOS DE PINHEIRO MANSO E CARACTERÍSTICAS NUTRICIONAIS DO PINHÃO**”, prunnings and thinnings are mandatory silvicultural practices throughout life on Pinus Pinea stands settlement.

	In general, forest and pastoral land use causes less soil loss than agricultural land use (Pimentel, 2006). While their increase can be beneficial, inadequate management practices can jeopardize investment as a consequence of new species distribution or increased fire risk, currently exacerbated by the warming trend associated with climate change. <i>“Such risks cause a limited impact on forest resources as they are not directly related to forest harvesting”.</i>
Means of Verification	▪ Audits reports ▪ Regional Best Management Practices - forest management plan. Monitoring results. ▪ Law No. 33/96 of 17 August. Decree Law No. 16/2009 of 14 January ▪ Monitoring results
Evidence Reviewed	▪ PGF - Plans Forest Management ▪ IFN - INVENTORY FOREST NATIONAL ▪ Princípios de Boas Práticas Florestais, Direcção-Geral das Florestas, Lisboa 2003. ▪ http://www.icnf.pt/portal/icnf/serv/biblioteca/resource/ficheiros/boas-praticas-florestais/view
Risk Rating	☒ Low Risk ☐ Specified Risk RA ☐ Unspecified Risk at

	Indicator
2.2.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b).
Finding	The national instruments for land use planning (RAN, REN, PEOT, PSOT, etc.), as well as the legislation applicable to the forest sector, establish a series of conditions and restrictions on forest management activities, including conditions for planting fast growing forest species, alterations in the use of the soil and burnt areas, legislation for protection of some species (cork oaks and holm oaks), and additional legislation in the case of interventions in classified areas (Network of Protected Areas and the Natura Network). More detailed information can be found by visiting http://www.icnf.pt/florestas/outros/legislacao Regarding forest owners that are not bind to have a FMP, the regional forest plan (RFP) provide them with adequate general guidance and, in addition, there is national level legislation that includes some specific mandatory operational rules, for instance regarding protection of species, of soil or forest fires' prevention; the municipal and other land use plan also have to be taken into account and give some mandatory rules. In the new legal regime to be applied artificial (re)afforestation actions resulting from the establishment of forest species stands by seeding or planting are covered and it is ICNF's competence to assure all previous allowance and communication procedures concerning related actions, by establishing. - In the last National Forest Inventory there was a significant increase of the area planted with pinus pinea trees (+ 54%). Over the last 20 years, new forestry stands with pine trees have been set up mainly by public financial incentives under various afforestation programs within the European Union's agricultural policy, in particular in the context of afforestation actions considered to be marginal For agriculture. These programs included the afforestation of new areas, the reforestation of burning areas and the improvement of existing forest stands, in most cases by densification operations. Now, with all these new meadow pine stands, it is necessary to practice sustainable forest management through sustainable forestry operations, such as thinning and deforestation. ○ There is national level legislation that includes some specific mandatory operational rules, for instance regarding protection of species, of soil or forest fires' prevention; the municipal and other land use plan also have to be taken into account and give some mandatory rules. specific mandatory operational rules: In any forest area in the county of Alcácer do Sal, where a forest fire occurs, the rehabilitation of this area will be in accordance with what is described in the Municipal Forest Defense Plan against Fires of Alcácer do Sal. The first phase, known as "intervention" or "emergency stabilization", takes place shortly after the fire-fighting phase and aims not only to control erosion and protect the hydrographic network, but also to protect infrastructure and Sensitive habitats. This is followed by the "rehabilitation" phase over the next two years, which includes, among other actions, the assessment of ecosystem damage and response, salvage

collection and, where appropriate, phytosanitary control, biophysical recovery actions And even to the afforestation of the most sensitive areas.

In the third phase, the defined recovery / reforestation projects are planned and implemented, usually after three years after the fire.

In Portugal there are several important areas in terms of river basin conservation, soil conservation and fire protection.

For information regarding the erosion control service, it is essential to consult erosion risk documentation. Part of this information is mapped within the REN that identifies, at 1: 25,000 scale, areas with high water erosion risk, as well as zones of instability of slopes.

The activities in question lead to the maintenance of increased forest management activities, promoting the cleaning of pine forests, valuing forest residues. The activities of, only happen in pine forests whose goals is the one of continuity, improvement of forest productivity, either resin, fruit and wood residues. In this sense, the healthy trees are preserved, given their high economic character, for the private and governmental agents.

By this way we can conclude that the activities that fall within the scope of this risk assessment, neither promotes nor has as main objective the increase of land desertification.

13.6 Estratégia Nacional para as florestas - Resolução do Conselho de Ministros n.º 6-B/2015:

*"International comparisons and the national evolution of the forest and associated industries indicate that the Portuguese forestry **sector may be considered a success case in some way**. And this success is certainly not unfamiliar with the ecological conditions that were favorable to the species used, as well as the demographic evolution and social acceptance of the forest as an interesting alternative to the use of the soil."*
"..With the Kyoto Protocol renegotiation, the commitments made in accounting for specific management activities related to land use change and forests have moved to the second compliance period, and with the new approaches for the next period 2013-2020, European level that Member States should report on actions (including policies, Measures and emission scenarios) that they develop to increase sequestration capacity and minimize emissions from the LULUCF (Land use, land-use change and forestry) sector.."

"..Within this framework, the strategic focus ... is to "Encourage the development of the biomass energy use, especially forestry, in particular in the support of biomass equipment for heating, etc.."

"The energetic use of biomass generated in forests as a result of the implementation of forest management and exploitation actions, as well as other forest products and by-products, thus constitutes an important contribution to ensuring compliance with the commitments undertaken by Portugal in the context of European policies to combat Climate change and energy, taking into account the respective impact on the nutrient cycle."

According *Evelyne Thiffault, 2011*, biomass removal can also reduce the concentrations of base cations in soils and foliage, but this has not, to date, been shown to affect tree productivity. There are no consistent, unequivocal and universal effects of forest biomass harvesting on soil productivity.

According to Ferreira, A.G., 2008, it was verified that more than 96% of the forest area of Alto Alentejo, Alentejo Central, Alentejo Litoral and Baixo Alentejo is in the soil loss class from 0 to 2.2 tons / ha, being the lowest level. Also with respect to the acceptable limit of soil loss, tolerance to soil loss, the results indicate that acceptable limits at regional level are respected.

From the "Agricultural Letters of G.Pery from the end of the XIX century" and from the "Agricultural and Forestry Chart of the SROA of the XX century, the evolution of the main types of land use in the Alentejo is presented: heathland, arable crops, Mounted, olive groves and vineyard. The evolution was very great, mainly in the reduction of moorland and in the great increase of cereal crops, caused by the protectionism of the wheat, instituted at the end of the XIX century.

The low quality of the soil can come from several phenomena:

- soil erosion or desertification,
- use of inappropriate technologies,
- lack of soil water conservation practices,
- destruction of vegetation cover, in particular for urban expansion.

In Alentejo, desertification is one of the main causes of soil degradation in arid, semi-arid and dry sub-humid areas resulting from different factors such as climatic variations and human activities.

Land desertification is a problem that is worsening, both at world level and at national level, precisely because of the impact of human activities. The agricultural techniques that are being used cause the organic matter content to decrease, making the soil more and more infertile and vulnerable to this phenomenon.

At most Pellets Power 2 raw material suppliers, after completion of slaughtering, processing and extraction, measures are taken to minimize the risks of soil erosion that these operations always originate.

Both the paths and the extraction rails must be conveniently drained and covered with branches in order to minimize the risks of erosion. The road network, ditches and other structures necessary for the drainage of water must be clear of logs, branches or "picadas". When destroyed or damaged, they must be recovered and the drainage system cleaned.

All rails and loaders that are no longer used shall be mobilized and the initial profile of the ground shall be recovered through operations deemed appropriate. If the load is maintained (for example for future cuts), the drainage and herbaceous coating should be improved.

13.7 Estratégia Nacional para as florestas - Resolução do Conselho de Ministros n.º 6-B/2015:

Desertification

"The National Action Program to Combat Desertification (PANCD), approved by Resolution of the Council of Ministers no. 78/2014, of December 24, establishes the following specific objectives and the lines of action with particular focus on the forestry sector...:

"... 1.6. Adopt and promote good agricultural, forestry and pastoral practices, including the development of agricultural and forestry advice systems.

	...2.2. To promote new afforestations of mixed stands of <i>Quercus</i> with the previous species or with <i>Pinus pinea</i>; 3. Control and recover degraded areas: ... (i) areas covered by rural fires, including forestry, (ii) eroded, salinized and other degraded areas, (lii) invasive alien woody species, (iv) degraded soils overexploitation, in particular areas with misaligned or unregulated headings and (v) areas of inert extraction; <u>- report that in the last decade there has been a significant trend in the recovery of the productive capacity of Portuguese soils - by about 22% in the whole of the continent</u> -, thus a regression in the desertification trends, including in this area more than 5% of areas Degraded areas, 9% of areas under production and 6% of naturalized areas, With new afforestation, as more than 90% of the new afforestation was carried out in areas susceptible to desertification (IFN5 - National Forest Inventory). - Degradation of tree cover that may result from changing ecological conditions, increasing occurrence of pests and diseases, or increased occurrence of forest fires reduces the protective function of forests, exposing soils to a greater risk of erosion. According to INERPA (APA, IP, 2014), the balance between sequestration and GHG emissions recorded in the field of "land occupation, changes in soil and forest occupation" (LULUCF) is positive, with forests particularly relevant to this result.
Means of Verification	▪ Regional Best Management Practices - forest management plan. ▪ Records of PP2 inspections ▪ Audits reports ▪ Field visits by PP2 staff
Evidence Reviewed	▪ PGF - Plans Forest Management ▪ IFN - INVENTORY FOREST NATIONAL ▪ Decree-laws No254/2009, of 24-09, on the Forest code and 169/2001, of 25-05), revoke by Decree-Laws n.º 12/2012; changes must be submitted to the National Forest Authority (AFN). ▪ Decree-law No. 1951 of 9 March 1937. D. G. No. 56, Series I ▪ http://www.icnf.pt/portal/icnf/serv/biblioteca/resource/ficheiros/boas-praticas-florestais/view ▪ Decree Law 96/2013 of 19 July- Establishes the legal regime to which they are subject, on the mainland, the actions of afforestation and reforestation with the use of forest species ▪ Evelyne Thiffault. 2011. Effects of forest biomass harvesting on soil productivity in boreal and temperate forests ▪ Ferreira, A. G., Gonçalves, A. C., e Dias, S. S.2008. Avaliação da Sustentabilidade dos Sistemas Florestais em Função da Erosão ▪ IFN5 - National Forest Inventory ▪ National Strategy for Forests: <i>Estratégia Nacional para as florestas (EFN)</i> - Resolução do Conselho de Ministros n.º 6-B/2015.

Risk Rating	☒ Low Risk	☐ Specified Risk	☐ Unspecified Risk at RA
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	Indicator
2.2.3	The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
Finding	Protected species are covered by legal instruments existing conservation in Portugal country network Natura 2000 (Habitats and Birds Directive), National Ecological Reserve (REN) and National Agricultural Reserve (RAN). See indicator 2.1.1. and 2.1.2 Natura 2000 is a network of designated areas to conserve habitats and rare wild species threatened or vulnerable in the European Union. Results from the implementation of two separate Community Directives: - Birds Directive (79/409 / EEC of 2 April) on the conservation of wild birds. - Habitats Directive (92/43 / EEC of 21 May) on the protection of wildlife habitats and fauna and flora. The aim of the Berne Convention is to conserve wild flora and fauna and their natural habitats, especially those species and habitats whose conservation requires the cooperation of several States, and to promote such cooperation. It is assigned a particular emphasis on endangered or vulnerable, including migratory species. The Bonn Convention aims at the conservation of migratory species throughout their range as well as the respective habitats. CITES or Washington Convention aims at the protection of wild fauna and flora in international trade . The National Ecological Reserve (REN) is a biophysical structure that integrates areas of value and ecological sensitivity or exposed and susceptibility to natural hazards. It is a public utility constraint that determines the occupation, use and transformation of soil uses and actions consistent with its objectives. National Agricultural Reserve (RAN) is defined as the land set that, depending on their characteristics in terms of agro- climatic, geomorphological and pedological, which have greater aptitude for agriculture activity The RAN is a territorial management tool, which consists of a public utility restriction, by establishing a set of constraints to non-agricultural land use, and which plays a key role in preserving the soil resource and its allocation to agriculture. The Sector Plan of Natura 2000 (PSRN2000) is a territorial and governmental Portuguese management tool aimed at safeguarding and enhancement of sites and SPAs (Special

Protection Areas) of the mainland, as well as the maintenance of species and habitats in conservation status favorable in these areas. In essence, it is an instrument for the management of biodiversity.

This is a plan developed to a macro-scale to the mainland, which features natural and semi-natural habitats and species of flora and present fauna on the Sites and SPAs, and define the strategic guidelines for the management of the territory covered by these areas, considering the natural values that occur in them.

(<http://www.icnf.pt/portal/naturaclas/rn2000/p-set/q-e>)

The ICNF provides the sheets ecological characterization and management of natural values of the Sectorial Plan of the Natura 2000 network on web site.

It is possible to identify the threats of management activities to this attribute through the consultation of information provided by the ICNF, in the Natura2000 Network Sector Plan, the Vertebrates Red Book and the 3rd National Report on the Application of the Habitats Directive (2007-2012).

Portugal includes graphs of threats to habitats and species for Portugal (Mainland + Azores + Madeira) <http://www.icnf.pt/portal/naturaclas/rn2000/resource/docs/rel-nac-07-12/docs / Nat-summ-pt>, as required by art. 12 and 17 of the report.

Safeguards shall exist which protect rare, threatened or endangered species and their habitats. Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of allocated resources. The organization managing the forest area should identify the conservation zones and protection areas. The delimitation of conservation and protection areas zones is based on their potential to conserve species and habitats. The conservation and protection areas areas should be selected in order to maximize their contribution to biodiversity conservation in view of its size. On the whole, the size and location of areas of conservation and areas protection, should be sufficient to ensure the continued presence of rare, threatened or in danger of extinction identified. The management organization of the forest area shall specify in the management plan management measures for the protection of ecosystems, integrated in the areas of conservation.

Nevertheless, PP2 has implemented an audits field system to check the compliance timber suppliers with the policy of forestry management, environmental and social questions. Yearly, PP2 select few timber suppliers to audit in field.

The audits are conducted by PP2 staff, and are checked management issues/ forestry, environmental maintenance and safety of workers. A checklist is filled with the suppliers evidence and information.

For all raw material , before the purchase of the wood PP2 staff, visit the local timber wood where it is from and checking if meets the covered legal regulation.

Means of Verification	- Maps - Regional, publicly available data from a credible third party - The existence of a strong legal framework in the region. - GIS maps of HCV areas - Sheets of ecological characterization and management of natural values of the Sectorial Plan of the Natura 2000 network - Records of PP2 inspections - Audits reportsField visits by PP2 staff - Publicly available information on the protection of the identified values - Best Management Practices - Supply contracts - Regional, publicly available data from a credible third party http://www.icnf.pt/portal/naturaclas/rn2000/resource/docs/rel-nac-07-12/docs/nat-summ-pt,
Evidence Reviewed	http://www.icnf.pt/portal/ap/amb-priv http://www.icnf.pt/portal/ap/nac www.icnf.pt/florestas - Protected Portuguese National areas (http://www.icnf.pt/portal/ap) 6.º Inventário Florestal Nacional (6th National Forest Inventory – IFN6-preliminary results) - Decree Law No. 142/2008 of 24 July. Decree Law No. 242/2015 of 15 October http://www.ccdr-lvt.pt/pt/reserva-ecologica-nacional-ren/1345.htm http://www.dgadr.mamaot.pt/ambord/reserva-agricola-nacional-ran http://www.icnf.pt/portal/naturaclas/rn2000/rn-pt/rn-contin/sic-pt) http://www.icnf.pt/portal/ap/amb-priv http://www.icnf.pt/portal/ap/nac www.icnf.pt/florestas (http://www.icnf.pt/portal/naturaclas/rn2000/p-set/q-e) http://www.ccdr-lvt.pt/pt/reserva-ecologica-nacional-ren/1345.htm http://www.dgadr.mamaot.pt/ambord/reserva-agricola-nacional-ran http://www.icnf.pt/portal/naturaclas/rn2000/rn-pt/rn-contin/sic-pt) http://www.icnf.pt/portal/naturaclas/rn2000/resource/docs/rel-nac-07-12/docs/nat-summ-pt,
Risk Rating	☐ Low Risk ☐ Specified Risk ☒ Unspecified Risk at RA
Comment or Mitigation Measure	PP2 has implemented an audits field system to check the compliance timber suppliers with the policy of forestry management, environmental and social questions. Yearly, PP2 select few timber suppliers to audit in field. The audits are conducted by PP2 staff, and are checked management issues/ forestry, environmental maintenance and safety of workers. A checklist is filled with the suppliers evidence and information.

	Indicator
2.2.4	The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Finding	See 2.1.2 - The article 10th of Law 19/2014 - Law of environmental policy bases include the conservation of nature and biodiversity as a fundamental dimension of sustainable development in adoption of the necessary measures to halt the loss of biodiversity, through the preservation of natural habitats, fauna and flora in the whole of the national territory, the Protection of vulnerable zones, as well as through the Protected areas, of strategic importance In this field; Portugal ratified the Convention on Biological Diversity through Decree-Law 21/93 of 29 June and entered into force in our country on 21 March 1994. The 5th National Report to the CBD has as main objective to evaluate the implementation of the Convention and to verify the path taken towards the objectives of the CBD and Aichi Biodiversity targets included in the Strategic Plan for Biodiversity 2011-2020. It should also contribute to the preparation of the report on the Global Biodiversity Outlook and to the assessment of the European Union's (EU) Biodiversity Strategy for 2020. The report informs on the state and trends of biodiversity and the threats identified, which Give an account of the actions taken to achieve the Aichi Biodiversity Targets and finally enunciates, based on the experience gained, which topics will merit greater attention for a more adequate and comprehensive implementation of the decisions of the CBD COP in Portugal According DGT, (Direção geral do território), the consultation of cadastral sections geometrical register of property is available to everyone at: http://www.dgterritorio.pt/cadastro/cadastro_geometrico_da_propriedade_rustica_cgpr/_consultar_seccoes_cadastrais/. Regarding the Alentejo, the register is prepared and finalized for total forest land. According NATIONAL REPORT ICA 2015, 16th General Assembly 27th International Cartographic Conference, the responsibilities of ICNF the responsibilities of ICNF were mentioned. The Forestry and Nature Conservation Institute is a body of the Sea and Agriculture Ministry whose mission is to: •propose, monitor and ensure the implementation of conservation policies of nature and forests; •promote the conservation, sustainable use, appreciation, enjoyment and public recognition of the natural heritage; •promoting sustainable development of forests and as sociated resources; •increasing the competitiveness of the forestry sector; •ensure the structural prevention as part of the planning and concerted action; in the field of forest protection and hunting resources and aquaculture in inland waters and others directly associated with forest and forestry activities. Main Activities: The ICNF plays the national authority functions for the conservation of nature and biodiversity and national forest authority, ensuring compliance of the respective legal regimes objectives; It promotes the implementation of the National Conservation Nature and Biodiversity and National Strategy for Forests Strategy, as well as the coordination and integration of conservation objectives and

sustainable use of natural resources in development policy of the territory and different sectorial policies and ensures the monitoring

of implementation and compliance issues of Community and international law, and international representation in matters within its competence

The main geographical information that ICNF produces is:

Classified Areas : Areas cartographically defined and delimited of the national territory and waters under national jurisdiction that, depending on their relevance to the natural conservation and the biodiversity. They are covered by specific regulamentation. This areas includes protected areas and Sites of Community Importance (SCI), Special Protection Areas (SPA)

Protected Areas Management Plan : Plan and manage Protected Areas and its natural values using different thematic cartography that establishes protect regimes.

Habitats and Bird Directive : The national report on the implementation of the Habitats Directive (2007-2012) and Bird Directive (2008-2012) included a distribution maps for the renewed assessment of conservation status for species and habitats. The distribution maps will consist of 10 x 10 km ETRS 8, 9 grid cells in the ETRS LAEA 52 10 projection. The gridded data consist of the 10 km grid cells where the species or habitat type is recorded as occurring. In some exceptional cases such as values with poorly knowledge were submit maps of 50 x 50 km. The links <http://www.icnf.pt/portal/naturaclas/rn2000/dir-ave>

-habit/rel-nac/rel-nac-07-12 and <http://www.icnf.pt/portal/naturaclas/rn2000/dir-ave-habit/rel-nac-art-12-diretiva-aves-2008-2012> presented all the cartographic information.

Monitoring programme of cave-dwelling species: A monitoring programme of the cave-dwelling species

is in progress since 1987, coordinated by ICNF. This programme involves the estimation of bat numbers present in the most important wintering and maternity roosts.

The surveys are carried out annually in most of the roosts. Recently, a report on the analysis of the data collected between 1988 and 2012 (ICNF, 2014) includes the trends of cave-dwelling species and the characterization of the 76 important roosts (seasonal occupation and evolution of the estimates of the most common species). The report can be consulted in the link <http://www.icnf.pt/portal/naturaclas/patrinatur/resource/docs/Mam/morc/prog-abri-sub1988-2012v3>

Monitoring water colonial birds : Every year are identified the distribution of species that use wetlands, in particular species of colonial Ardeidae. The results of the distribution are presented in squares UTM 10x10km and by river basin. The report can be consulted in the link <http://www.icnf.pt/portal/naturaclas/ei/cempa/pp-monit/monit-aq-colon>

Monitoring white stork (Ciconia ciconia) :In 2014 it was carried out in Portugal (mainland) the sixth national census of White stork, mapping the number of nests per municipality.

Spanish imperial eagle (Aquila adalberti) :Since 2008, ICNF, namely the Working Group for the imperial eagle, coordinates an annual monitoring scheme of the national breeding population of imperial eagle. The all-year observations of the species in Portugal were also gathered recently. The territories occupied by breeding pairs are characterized in terms of land use, nest preferences and main threats. The members of the breeding pairs are also identified each year in order to detect possible replacements of the members of the pair. This information is gathered in a GIS, coordinated by the working group. Internal annual reports are produce d but they are not available due to the inclusion o f sensitive information about the location of the nests

National Forest Inventory : The National Forest Inventory (NFI) is the national -level evaluation and monitoring process of the Portuguese forest resources. The first NFI was developed in 1963, and since then a new NFI is completed in an approximate 10 years interval cycle. Presently, the 6th NFI is on-going and published results are expected for 2016. Within NFI framework, thematic cartography on forest land cover by tree species is produced and made available to public. This cartography is based on information obtained from aerial imagery and specific field surveys. In the earlier NFIs wall-to-wall 1:25,000 cartography for the Portuguese mainland territory was produced. In the more recent NFIs, a point sampling procedure, based on a national 500x500 grid, is the basis for land use/land cover data collection.

Based on that large georeferenced dataset thematic land use and land cover cartography for a nominal scales of

1:500,000 are produced. The NFI results and its evolution over time are the basis for regional and national forest planning and are a main source of information for several international reporting processes, as are examples the

UN-FAO Forest Resources Assessment, the UNFCCC and Kyoto protocol compliance reporting procedures. More information can be obtained from: <http://www.icnf.pt/portal/florestas/ifn>

Forest Fires : The Forestry and Nature Conservation Institute (ICNF) is responsible, since 1990, for the production of yearly burnt area cartography, from continental site. This cartographic information is available for public on ICNF website. The European Forest Fire Information System (EFFIS), of the European Commission, supply this institute with cartographic information of burnt areas, obtained with low resolution satellite images. ICNF has a partnership with Superior Institute of Agronomy –Forestry Department from where burnt areas cartography is produced, by using MODIS and LANDSAT satellites. Since 2007, risk site mapping is also produced.

It produces different cartographical information (fuel management, infrastructures, planning, etc.) and puts it available to National Authority on Civil Protection , becoming a decision support basis of relevant importance in what matters firefighting. ICNF is compiling and integrating municipalities and district forest plans against fire.

Sanity : Development of a data bank that warehouses all operations related to quarantine organisms, eradication and prospection.

Public Interest Trees : ICNF produces cartography related to Public Interest Trees and maintain a database available to public.

These Trees are classified as monuments because of their exceptional dimension, age, history, culture or special features and are iconographic for locations where they exist. The importance of classifying such trees relies on population awareness, conservation of biological heritage, historical motivations and as a source of value for in creasing tourism, particularly ecotourism, around locations they are in. This cartography includes single trees, malls and clumps.

Hunting : In December 31, 2010 there were 4479 georeferenced specially managed hunting units, representing approximately 87 % of the Portuguese territory.

Inland fisheries: Between 2004 and 2010 ICNF developed the project “Projeto Aquariport – Programa Nacional de Monitorização de Recursos Piscícolas e de Avaliação da Qualidade Ecológica de Rios”, involving ADISA – Associação para o Desenvolvimento do Instituto Superior de Agronomia, ISA - Instituto Superior de Agronomia and ESAB – Escola Superior Agrária de Bragança. Monitoring involved 320

georeferenced points, and each should be sampled every 6 years. Since 2004, ICNF has been developing a geographical database of fish passes existing in inland waters. ICNF has also been developing the geographical database of inland aquaculture and fishing areas managed by ICNF, Municipalities or fishing associations.

In Portugal, all protected plant and animal species, are referenced in the Red Book of Vertebrates and in the Red Book of Portuguese Plants, respectively. The red book classifies the species that use the country according to their probability of extinction. In the region all protected plant species are marked and protected.

The management organization of the forest area shall specify in the management plan management measures for the protection of ecosystems, integrated in the areas of conservation. When it comes to protection of water resources, should minimize the number of permanent water lines crossing places, ways should be removed as possible from standing water lines, the crossing points must be designed so as not to obstruct the passage of fish and not destroy areas identified as natural habitats or other areas with well preserved riparian galleries. To minimize the damage caused by logging operations, the machines should not enter water lines, except the marked points, it should be considered to define cutting areas phased in space and time, taking into account the characteristics and size of the area concerned, the forest surplus can not be left in the water lines and roads, conservation and protection areas must be identified before the start of any forest operation.

In Alentejo, protected species are covered by legal instruments existing conservation in Portugal country network Natura 2000 (Habitats and Birds Directive), National Ecological Reserve (REN) and National Agricultural Reserve (RAN).

Natura 2000 is a network of designated areas to conserve habitats and rare wild species threatened or vulnerable in the European Union. Results from the implementation of two separate Community Directives:

- Birds Directive (79/409 / EEC of 2 April) on the conservation of wild birds.
- Habitats Directive (92/43 / EEC of 21 May) on the protection of wildlife habitats and fauna and flora.

The aim of the Berne Convention is to conserve wild flora and fauna and their natural habitats, especially those species and habitats whose conservation requires the cooperation of several States, and to promote such cooperation. It is assigned a particular emphasis on endangered or vulnerable, including migratory species.

The Bonn Convention aims at the conservation of migratory species throughout their range as well as the respective habitats.

CITES or Washington Convention aims at the protection of wild fauna and flora in international trade.

The National Ecological Reserve (REN) is a biophysical structure that integrates areas of value and ecological sensitivity or exposed and susceptibility to natural hazards. It is a public utility constraint that determines the occupation, use and transformation of soil uses and actions consistent with its objectives.

National Agricultural Reserve (RAN) is defined as the land set that, depending on their characteristics in terms of agro- climatic, geomorphological and pedological, which have greater aptitude for agriculture activity

The RAN is a territorial management tool, which consists of a public utility restriction, by

	establishing a set of constraints to non-agricultural land use, and which plays a key role in preserving the soil resource and its allocation to agriculture. The Sector Plan of Natura 2000 (PSRN2000) is a territorial and governmental Portuguese management tool aimed at safeguarding and enhancement of sites and SPAs (Special Protection Areas) of the mainland, as well as the maintenance of species and habitats in conservation status favorable in these areas. In essence, it is an instrument for the management of biodiversity. This is a plan developed to a macro-scale to the mainland, which features natural and semi-natural habitats and species of flora and present fauna on the Sites and SPAs, and define the strategic guidelines for the management of the territory covered by these areas, considering the natural values that occur in them. (http://www.icnf.pt/portal/naturaclas/rn2000/p-set/q-e) The ICNF provides the sheets ecological characterization and management of natural values of the Sectorial Plan of the Natura 2000 network on web site. The governmental body responsible for this controlling is ICNF that provides (in website) <u>statistical information</u> on progress in the implementation of the Natura 2000 network, both under Directive Birds and the Habitats Directive.
Means of Verification	▪ Maps ▪ Regional, publicly available data from a credible third party ▪ The existence of a strong legal framework in the region. ▪ GIS maps of HCV areas ▪ Sheets of ecological characterization and management of natural values of the Sectorial Plan of the Natura 2000 network ▪ Records of PP2 inspections ▪ Audits reports ▪ Field field inspections by PP2 staff ▪ Interviews with the actors involved in forest management
Evidence Reviewed	▪ http://www.icnf.pt/portal/ap/amb-priv ▪ http://www.icnf.pt/portal/ap/nac ▪ www.icnf.pt/florestas ▪ Protected Portuguese National areas (http://www.icnf.pt/portal/ap) ▪ 6.º Inventário Florestal Nacional (6th National Forest Inventory – IFN6- preliminary results) ▪ Decree Law No. 142/2008 of 24 July. Decree Law No. 242/2015 of 15 October ▪ http://www.ccd-r-lvt.pt/pt/reserva-ecologica-nacional-ren/1345.htm ▪ http://www.dgadr.mamaot.pt/ambord/reserva-agricola-nacional-ran ▪ http://www.icnf.pt/portal/naturaclas/rn2000/rn-pt/rn-contin/sic-pt ▪ http://www.icnf.pt/portal/ap/amb-priv ▪ http://www.icnf.pt/portal/ap/nac ▪ www.icnf.pt/florestas ▪ (http://www.icnf.pt/portal/naturaclas/rn2000/p-set/q-e) ▪ http://www.ccd-r-lvt.pt/pt/reserva-ecologica-nacional-ren/1345.htm ▪ http://www.dgadr.mamaot.pt/ambord/reserva-agricola-nacional-ran ▪ http://www.icnf.pt/portal/naturaclas/rn2000/rn-pt/rn-contin/sic-pt

	- Decree Law 19/2014 - https://dre.pt/application/dir/pdf1sdip/2014/04/07300/0240002404.pdf http://sniamb.apambiente.pt/infos/geoportaldocs/rea/REA2016/REA_2015_White_Final.pdf - Convention of biological diversity - http://www.icnf.pt/portal/naturaclas/ei/cbd/CBD#_CDB1
Risk Rating	☐ Low Risk ☐ Specified Risk ☒ Unspecified Risk at RA
Comment or Mitigation Measure	PP2 has implemented an audits field system to check the compliance timber suppliers with the policy of forestry management, environmental and social questions. Yearly, PP2 select few timber suppliers to audit in field. The audits are conducted by PP2 staff, and are checked management issues/ forestry, environmental maintenance and safety of workers. A checklist is filled with the suppliers evidence and information.

	Indicator
2.2.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.
Finding	see indicator 2.2.2. The legal framework in Portugal related to phytosanitary problems and fire prevention is regulated and obliges the removal of forest residues. The DL n.º 123/2015 (DL n.º 95/2011) establishes extraordinary phytosanitary protection measures essential to the control of pine wood nematode (NMP), The land owner is obligated to remove the disease wood, and residues trees from the land, depending of the situation (the methodology to eliminated can be choose by the land owner inside of the law options). The forest operations shall be planned and implemented in accordance with the requirements set up in the act forest Management regulations. In the regulations the method and time limit for clearing the felling site of residuals are listed. There are different methods that can be utilised, but in all cases no damage must be caused to remaining trees (including natural regeneration). The Decree Law n.º 124/2006, of 28 June - establishes the measures and action under the National Defence System of Forest Fire. The regulations in this area is defined and controlling by a different governmental institutions: ICNF and SEPNA, to promote the clean forest areas to avoid fires. Set of measures and actions of institutional coordination, planning and intervention for the prevention and protection of forests against fire in the compatibility of the aspects of planning instruments, awareness, planning, conservation and management of forest land, forestry, infrastructuring ,

surveillance, detection, combat, wake, post-fire monitoring and surveillance, to be carried out by public entities with responsibilities in the defense against forest fires and private entities with intervention in the forestry sector.

ICNF- Institute for Nature and Forests Conservation give information about forest good practices. The PGF (Decree-Law No. 16/2009 of 14 January) are management tools of forest areas that determine, in space and time, interventions aimed at sustained production.

The operations cutting/cleaning should be performed according to the Forest Management Plan.

When they are forest residues on the surface they increase the risk of forest fire. When they are incorporated into the ground through a harrow, improve the soil fertility.

The entity responsible for monitoring of this operations is *ICNF*.

When forest residues are not incorporate in the soil, there are different ways to remove them.

There are studies about regional best management practices (ICNF) that refer that in some cutting areas, forest residues, are crushed, resulting in the biomass that is incorporated into the soil. The incorporation of biomass on soil, creates conditions of temperature and moisture favorable to young plants, promotes soil cover protecting it against erosion, and can contribute to increase the organic matter and nutrients available in the soil.

The residues removal process must be done in order to restore viable vegetation after logging, maintain or improve the productive potential of the area and the forest characteristics (soil conservation, water, biodiversity).

Forest Management Plans (including Intervention Forest Zone (ZIF), Community Use Area Plan (PUB) and Intervention Special Plan (PEIF)) have been in place since 2000, and (to 2013) cover about 44% of Portuguese forest area.

In private areas, forest plans are mandatory for all forest areas greater than a certain area (from 25ha to 100ha, depending on the region);

The Intervention forest areas are continuous forest areas, which allow forest owners and producers actively manage their assets, jointly and with a good technical management and are regulated by Decree-Law No. 127/2005 of 5 August.

This area is subject to a forest management plan and a specific plan of forest and managed by a single entity intervention.

The objectives of the Forest Intervention Zone are as follows:

- Promote the sustainable management of forest areas that are part;
- Coordinate, a planned manner, protection of forests and natural spaces;
- Reduce the conditions for ignition and fire spread;

	- Coordinate the recovery of forests and natural when affected by fire.
Means of Verification	- Regional Best Management Practices; - Records of BP's field inspections; - Assessment at an operational level of measures designed to minimize impacts on the values identified - Audits reports - Field field inspections by PP2 staff - Interviews with the actors involved in forest management
Evidence Reviewed	- Decree-Law No. 95/2011, of 8 August http://www.icnf.pt/portal/florestas/gf/gfs/resource/docs/Criterios-indicadores%20gestao.pdf http://www.epal.pt/EPAL/docs/default-source/epal/biodiversidade/publica%C3%A7%C3%B5es/manual-de-boas-pr%C3%A1ticas-de-gest%C3%A3o-dos-espa%C3%A7os-florestais.pdf?sfvrsn=10 - NORMAS TÉCNICAS DE ELABORAÇÃO DOS PLANOS DE GESTÃO FLORESTAL, Autoridade Florestal Nacional, Junho 2009. - Decree Law n.º 124/2006, of 28 June - establishes the measures and action under the National Defence System of Forest Fire - Good Forest Practices http://www.icnf.pt/portal/florestas/gf/documentostecnicos/resource/doc/Boas-Praticas-Florestais.pdf - DL n.º 123/2015 , 3/07
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.2.6	The Biomass Producer has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).
Finding	The water law, has as its primary objective the sustainable management of water and its protection, so it is required that the activities have a significant impact on water status can only be exercised by a title of use as stipulated in Article 56 of the Act. Thus, the law assumes from the outset that the uses that have significant impact, that is, lack of title and what kind of that title, which may permit, license or concession. Any use of water resources, which is not included in Article 58 of the Water Act (use and enjoyment common), will entail licensing request to the licensor to assess the respective impact and the most appropriate title. The competent authority in Portugal, in the water licensing matter is the Portuguese Environment Agency, through the Departments of Regional Hydrographic Administration (cfr. Article 8 of Law No. 58/2005 of 29 December, as amended by Decree-law No. 130/2012 of 22 June). The use of particular water resources may be subject to authorization, when dealing with funding, construction, implementation of infrastructure, or the license in case of rejection of waste water, waste dumping, recharge and artificial injection into groundwater, aggregates extraction and embankments or excavations. Some of the impacts that are linked to water availability and water vs. forest management are related to: 1. Risk due to climate change - increased temperature, decreased soil productive capacities / desertification. 2. Risk of forest fires - contamination of networks of several water networks. 3. Risk of contamination of soils / aquifers - use of pesticides (see section on pesticides 2.4.2) 4. Cleaning Operations on Lines / Watercourses As a rule Pellets Power 2, does not receive wood of clear cuttings. The exception are cut wood may be allowed in areas affected by forest fires. In pinewood, it is important in phytosanitary terms and after the passage of a fire, make the clear cut of the settlement. According to the report - STRATEGY FOR THE ADAPTATION OF AGRICULTURE AND FORESTS TO CLIMATE CHANGE (MAMAOT, 2013): "Adapting agriculture and forests to climate change and combating desertification must strategically integrate the preservation of the fertility of the Soil, promoting their protection against water erosion and the improvement of organic matter content ". "The increase in the meteorological risk of fire and favorable conditions for harmful biotic agents, as well as the reduction of potential productivity and carbon sequestration capacity are critical aspects for the adaptation of the forest sector. " - Forestry areas are an important support for the conservation of biodiversity and for the protection of soil and water. - According to this report DESERTIFICATION AND PROTECTION OF THE SOIL, can aggravate in Continental Portugal with the scenarios of climate change.

- Forests play a very important role in soil protection against water erosion which could be jeopardized by the impact of climate change due to the degradation of tree cover, in particular by the occurrence of fires and biotic agents.

It should be noted that almost all stands of holm oak, cork oak and pine are situated in susceptible areas.

- The National Action Program to Combat Desertification (PANCD) is currently under review. This program "aims to guide, discipline, promote, streamline, integrate and coordinate actions to combat desertification and minimize the effects of drought in semi-arid and sub-humid areas, especially where vegetation destruction is most evident and problematic And the deterioration of the environment, natural resources and the landscape in general. " (Council of Ministers Resolution No. 69/99 of 9 July, p.4300).

<http://www.dgadr.mamaot.pt/rec-hid/poupanca-de-agua-acao-ambiental-7-1> :-*Poupança de água (Ação ambiental 7.1): "As the agricultural sector is the main consumer of resources Water resources and water scarce ... an agricultural strategy based on a strict basis of rational management and water saving, will enhance the viability of the agricultural activity itself, in addition to the sustainability of water resources."*

Water courses:

The article n.º33 of Law no. 58/2005, of December 29, provides for the courses water clearing of the water lines as one of the measures for the conservation and rehabilitation of the hydrographic network and riverine areas and in same article stipulates that these measures must always be carried out under the guidance of the Portuguese Environment Agency through the Regional Administration Departments Hydrographic (APA, I.P./ARH)

The responsibility for the execution of the cleaning and clearing actions is:- Of the municipalities, in the urban agglomerations;- Of the owners, in the private fronts outside the urban agglomerations;- Of the bodies with competence, own or delegated, for the management of water resources in the area, in other cases.

Whenever possible, the work should be monitored and supervised by technicians with adequate environmental training.

Thus, the implementation of these actions must be communicated to the Portuguese Environment Agency through the territorially competent Departments of Administration of Hydrographic Region (APA, I.P./ARH), using the record available at www.apambiente.pt.

When interventions focus on protected areas (Classified Areas and Natura Network), a pinion of the Institute of Nature Conservation and Forests (ICNF, I.P.). The entities responsible for supervision are the following:

1. Portuguese Environment Agency, through the Departments of Administration of Hydrographic Region (APA, I.P. / ARH)
2. Nature and Environment Protection Service of the National Republican Guard (SEPNA / GNR)
3. Municipal Councils / Town Councils

Failure to comply with the obligation to carry out this work may be punished in

	accordance with article 25. Of the regime of environmental misconduct approved by Law no. 50/2006, of August 29, as amended and republished by Law no. 89/2009, of August 31. APA (Portuguese environment agency) Inspection report , 2015: 2015 was marked by the elaboration of the first "Inspection Program" of the Portuguese Environmental Agency (APA), which reinforced the concentration of the inspection activity in the essential and feasible, focused on the economic sectors with <u>a direct impact on water resources</u>. The APA has legal powers of inspection in the matter of water, being in particular the Regional Departments, Administrations of Hydrographic Region (ARH). As a National Authority in different areas, the APA also promotes close coordination with other entities with inspection and inspection powers, in order to guarantee a high level of protection and valorization of the environment in its various aspects. According to the competencies and attributions of the APA, the inspection actions promoted by its services in 2015 focused exclusively on the area of water resources, in particular, <u>in sectors of activity that could generate negative impacts in the water domain</u> (Inspection Report, 2015) Situations arising from complaints / complaints were also evaluated, as well as other situations identified in the scope of licensing procedures. In line with the "Monitoring Program 2015", over the year 2147 monitoring actions were developed to guarantee the multiple uses expected for water. Based on available information the requirements included in this indicator are considered low risk.
Means of Verification	▪ ▪ The existence of a strong legal framework in the region. ▪ Regional Best Management Practices; ▪ Records of PP2 field inspections; ▪ Assessment at an operational level of measures designed to minimize impacts on the values identified; ▪ Monitoring records; ▪ ▪ Estratégia de Adaptação da Agricultura e das Florestas às Alterações Climáticas, MAMAOT 2013 ▪ RELATÓRIO DE FISCALIZAÇÃO , APA 2015
Evidence Reviewed	▪ http://www.apambiente.pt/index.php?ref=16&subref=7 ▪ Decree -Law No. 58/2005, de 29 de December– Water Law / DL 130/2012 of 22 June
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.2.7	The Biomass Producer has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities.
Finding	The Portuguese Environment Agency (APA) regulates the protection, management and monitoring of ambient air pollution. There is no indication of any damage or influence to air quality of forest operations. There are also mentioned the normatives for machinery polluting the air (including forest machinery). The cutting technique and its use does not cause impact to air quality. Usually forest operation are in the remote places and do not affect the air quality. The air quality is impacted by biomass users, who burn biomass in the power plants, households or other facilities. The monitoring and statistical data about air quality and its tendency can be found in the website of the Portuguese Environment Agency (APA) . The Portuguese Environmental Agency (Agência Portuguesa do Ambiente, APA), under the dependency of the Ministry for the Environment (Ministério do Ambiente), in accordance to its attributions of national entity responsible for the overall coordination and reporting of the Portuguese inventory of air pollutants emissions, prepares each year the National Inventory of Greenhouse Gas (GHGs) Emissions and Sinks in order to comply with the international commitments under the United Nations Framework Convention on Climate Change (UNFCCC) and the European Commission. Under the air quality monitoring system in Portugal to the Portuguese Environment Agency promoted the development of the database on air quality QualAr, with the possibility of consultation via Internet. This application is intended to centralize all measured air quality data in Portugal and provide information to the public about air quality. APA is responsible for coordinating the exchange of information with the European Commission on the transmission of data and the management and evaluation of ambient air quality. There is no indication of any damage or influence to air quality of forest operations. The cutting technique and its use does not cause impact to air quality. Usually forest operation are in the remote places and do not affect the air quality.
Means of Verification	-PORTUGUESE NATIONAL INVENTORY REPORT ON GREENHOUSE GASES, 1990 - 2014
Evidence Reviewed	- Law No. 19/2014, of April 14 -Sets out the basis of environmental policy - PORTUGUESE NATIONAL INVENTORY REPORT ON GREENHOUSE GASES, 1990 -2014 http://qualar.apambiente.pt/ - Directive 2008/50 / CE of 21 May
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.2.8	The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities (CPET S5c).
Finding	In Portugal existing legislation, recently, that prohibits the use of pesticides without training. There are Regulation to distribution, sale and application of plant protection products for professional use of plant protection products and defines procedures monitoring the use of plant protection products, transposing by Directive No. 2009/128 / EC, Parliament and of the Council of 21 October, establishing an action framework at Community level for use sustainable use of pesticides, and revoking Law No. 10/93, of April 6, and Decree-Law No. 173/2005 of 21 October. The use of chemicals in private forests is not very common, however they shall follow the general legislation related to the plant protection products. The use of any kind of pesticides must be recorded by the forest owner. Since 26 November 2015 all applicators are required to be trained applicator of plant protection products.
Means of Verification	- Existing legislation - Level of enforcement - Regional Best Management Practices; - Records of BP's field inspections; - Interviews with staff.
Evidence Reviewed	Decree-Law No 26/2013, de 11 de abril – <i>Emissão de cartões / Formação exigida aos aplicadores de produtos fitofarmacêuticos profissionais.</i>
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.2.9	The Biomass Producer has implemented appropriate control systems and procedures for verifying that methods of waste disposal minimise negative impacts on forest ecosystems (CPET S5d).
Finding	The Planning and Waste Management, including all types of waste and the various origins, are the goal of policy in this area Environment, also assuming role crosscutting relief the impact on the Conservation of Natural Resources, and other Environmental Strategies. Decree-Law No. 73/2011 of 17 June, establishing the third amendment of Decree-Law No. 178/2006 of 5 September and transposes Directive No. 2008/98 / EC of the European and of the Council of 19 November 2008 on waste provides in its legislative framework.

	The management, functions of responsible institutions, monitoring, and storage and other waste management procedures are defined in this law. Principles of Good Forestry Practice is a guiding principles of good forestry practices. It was drawn up taking for granted is intended essentially to technical staff and other people with knowledge acquired in technical areas forestry. The removal of forest waste is usually carried out with a crane, not to damage other trees and soil. It is common practice that the contracts with forest felling companies include the requirement of cleaning the forest from the waste caused by the forest management work. The control of waste disposal is done by the <i>Guarda Nacional Republicana - Serviço de Proteção da Natureza</i>.
Means of Verification	Principles of Good Forestry Practice
Evidence Reviewed	http://www.icnf.pt/portal/icnf/serv/biblioteca/resource/ficheiros/boas-praticas-florestais/view - Decree-Law No. 123/2015
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.3.1	Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.
Finding	The main forest residues from management forest land that Pellets Power 2 received is <i>Pinus Pinea</i> (around 85%) and then <i>Pinus Pinaster</i> (around 11%). Stone pines (<i>Pinus pinea</i>) comes from the Mediterranean region and from the Iberian Peninsula to the Middle East, excluding North Africa. In Portugal, more than half of the area occupied by the stone pine, is located in the Setúbal district, in particular in Alcácer do Sal. Stone pines, in terms of dominant forest species, has increased, occupying in 2010, 175,742 ha (IFN 6). Thinning assumes special importance in softwoods, whose youth wood, to be of poor quality, requires a plantation at relatively high densities, in order to form less youth wood per tree and increase intra-specific competition, favoring the height growth and natural pruning. Reduces then chopping density in order to concentrate the growth potential of the best future trees. Currently thinning in <i>Pinus pinea</i> forest, aims to promote the production of pine cone. There are several types of thinning, which stand out for their interest for the species to be used in the southern region, thinning at low, mechanical or systematic thinning and mixed thinning. The mixed or high mixed is currently the most thinning type used in Europe. Alcácer do Sal region is not an exception, young and adults stone pine forest is the most used type of thinning. It is a thinning which involves the removal of most of the dominated trees and also the opening of the crown, removing some dominant trees and co-dominant, so as to favor the growth of the best trees and creating an open and relatively uniform forest stand. The stone pine is a species with broad and diverse representation in Portuguese territory, whose interest lies at different levels: production of fruit, production of wood and resin, mixed production of fruit and wood and protection goals. The trees for timber production should grow more in height, obtaining high and rights logs, with appropriate diameter. Also in Alcácer do Sal region, there are mixed forest stands of stone pine and young adults with cork oak, with pasture in forest undergrowth. In order to promote the development of the cork oak and cork production, some forest owners making the cut of some young and adults stone pine trees that could be in competition with cork oaks, some of them older with diameters greater than 40 cm. For Pellets Power 2, <i>Pinus Pinaster</i> has a small expression compared to <i>Pinus Pinea</i>. The maritime pine (<i>Pinus pinaster</i>) is a fast growing specie, intolerant to shade. Due to forest fires and the phytosanitary problems, the pine pinaster, in the last National Forest Inventory, decreased by 263,000 hectares between 1995 and 2010. It occupied in 2010, about 714 445 000 hectares (IFN 6).

In the maritime pine pruning the goal will be the best quality timber production (sawmill, paper and unwinding) preventing the formation of dead knots. In case of thinning, the aim is final cut, formed stands for good quality trees to the noblest uses. This is achieved by decreasing the density, choosing the best trees, future of trees, according to the position covered, the quality of the stem, the conformation of the crown and its spatial distribution in the population. As in forest stands of other species, the maritime pine should be subject to pruning and thinning.

According the Portuguese Forest Inventory (IFN 6) :

- The forest land use is the dominant use of the mainland (35.4% in 2010).
- The forest area decreased during the period 1995-2010, corresponding to a net loss rate of -0.3% per year.
- The wooded area (stands) increased (+ 0.4% per year) over the same period.

The total maritime pine area decreases 263,000 ha between 1995 and 2010. Most of this area became "woods and pastures" (165,000 ha), 70,000 eucalyptus, 13,000 in urban areas and 13,700 in forests with other tree species is the main continent of forest occupation area (812,000 ha), cork second (737,000 ha), followed by maritime pine (714,000 ha).

The area of integrated forest in the National Conservation Areas System, corresponding to 18.7% of mainland Portugal forest.

Although there is a decrease in forest area, the fact that this not be stressed demonstrates the significant forest resilience to strong disturbances to which he was subjected during the period under review. On the one hand, of the most serious forest fires

the last two decades (more than 2.5 million hectares burned between 1990 and 2012), and on the other, the occurrence of diseases such as nematode pine wood which has severely affected the pine-bravo national, forcing the realization of exceptional courts by imposition of phytosanitary regulations. No other country in Europe has been subject to this level of disturbance.

In the Alentejo there is a net increase of 25000 hectares of forest area between 1995 and 2010.

The forest area whose dominant species is the eucalyptus is the largest area of the country (812,000 ha, 26%), cork second (737,000 ha, 23%), followed by maritime pine (714,000 ha, 23%) . The area occupied by resinous species corresponds to 31% of the Portuguese forest, the remainder (69%) occupied by broadleaf species. It can be seen that the decrease of forest area is mainly due to reduction in the area temporarily treeless (burned surfaces, cut and regeneration), with emphasis on increasing the wooded area which is explained in part by the action of nature (natural regeneration) demonstrating the natural fitness of Portuguese soil to the forest, but also by the action of forest owners who have continued to invest in the forest with actions of afforestation and reforestation

According to the forest inventory (IFN6) is to highlight the increase in stone pine areas (46% in total area and 54% in wooded area).

The Forest Management Plan is the main planning document in which the assessment of inventory data and subsequent planning, implementation and monitoring are defined for forest owners.

The PDR 2020 (Mainland Rural Development Programme 2014-2020) has the following strategic objectives, which fit into, among others, support the valuation of forest resources, protection and rehabilitation of forest stands and the preservation and enhancement of ecosystems related to agriculture and forestry:

- value added growth of the agro-forestry sector and economic profitability of agriculture;
- Promoting efficient management and protection of resources;
- Creating conditions for economic and social dynamism of the countryside.

The main document of planning and management, which describes the results of the forest inventory for forest owners are the forest management plans. The forest inventory allows to know the evolution of forest stands. In the region almost all wood comes from thinnings and prunings of forest stands.

These are forest stands of stone pine with high planting density and it is necessary to thin out, so that production of the stand is monetized. Many wooded areas are forest projects implemented with EU funding. All these settlements are subject to various inspections, in order to create a very good settlement for fruit. With this type of forest management is not put into question the long-term settlement of the production capacity and ensures the viability of the forest ecosystem. This is a sustainable forest management.

According to the National Statistics Institute (INE) provides the "Agricultural Statistics - 2014", in Table 3.1 Forest surface area according to species by NUTs, for the Alentejo, between 2005-2010, *Pinus Pinaster* stands decreased from 58.3 to 48.2 (unit 1000 ha) (see reasons on 2.4.1 and 2.4.2), on the contrary *Pinus Pinea* stands had an increase from 110.3 to 114.2.

In this annual publication, participate farmers, owners associations and companies that responded to the inquiry, and the Planning and Policy Office of the Ministry of Agriculture and the Sea, the General Management of Food and Veterinary (SAGD), the Institute of Nature Conservation and Forestry (ICNF), the Institute of Vine and Wine (IVV), the General Directorate of Agriculture and Rural Development (DGADR), the Regional Directorate of Agriculture and Fisheries (DRAP), the Regional Statistical Office of Azores (SREA), the Regional Directorate of Statistics of Madeira (DREM) and other entities who provided information.

Portugal has about 35% of its territory covered with forest. This represents a decrease of more than 150 hectares from 1995 to 2010, which corresponds to a net loss of -0.3% per year. This decrease is felt particularly in the regions of North and Centre of the country, explained by the conversion to the use of class "woods and pastures" and the conversion of forest use for urban use (28 hectares).

In this period there was also an increase in wooded area (stands) of 0.4% per year.

	Only in the Alentejo region there was a net increase of 25 thousand hectares forest area. According Central governmental region (CCDR-A), regional strategy for intelligent specialization of the Alentejo: Increased wooded area is explained in part "by the action of nature (natural regeneration) demonstrating natural fitness of Portuguese soil to the forest, but also by the action of forest owners who have continued to invest in the forest with actions of afforestation and reforestation "(IFN, 2010) . Under the PRODER, the Sub-Program 4 - Knowledge and Skills, among other objectives, aims to promote and strengthen the capacity of agro-forestry sector to developed technological and scientific changes or developing, promoting innovation and favoring the use of partnerships must include producers and companies, and R & D organizations, technology centers and other related activities in a product perspective, sector or territory.
Means of Verification	- Harvesting records, inventory and growth data and yield calculations, and Operational Practice indicate that biomass feedstock harvesting rates avoid significant negative impacts on forest productivity and long-term economic viability - MEF - Forestry logging manifest for conifers - National Statistics Institute (INE) - "Agricultural Statistics - 2014" - Regional strategy for smart specialization of the Alentejo. CCDR
Evidence Reviewed	- PDR 2020 (Mainland Rural Development Programme 2014-2020) - Decree-Law n.º 16/2009 http://www.parlamento.pt/arquivodocumentacao/documents/coleccoes_relatorio-bio2013-2.pdf
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.3.2	Adequate training is provided for all personnel, including employees and contractors (CPET S6d).
Finding	During the questionnaires made by pellets power 2 in the process of the suppliers field verification audits are seen some points related to the contracts of workers, labor insurance etc . The labor legislation (Portuguese - Labour Code) requires that the employer give training to the worker. Inspectors authority working conditions make inspections to ensure compliance (Decree Law No. 7/2009) According to the ICNF forest higher education completed 150 years of existence in Portugal. Indeed, it was by decree of January 2, 1865 that, in the broader context of reform of agricultural education, it created the "Foresters Course" in the General Institute of Agriculture in Lisbon.

The senior technicians with forestry training taken since the nineteenth century an important role in the formulation and implementation of forest policies and nature conservation, and many public programs in these areas also had an active participation of teachers and researchers of higher forestry education departments, there are always a very close collaboration with the ICNF and predecessor agencies.

Reforestation, afforestation, and improvements of existing forest resources and forest productivity are being promoted and support is available for some specific activities. The existing Programmes for support of the sector are under revision. Forest conservation and protection are being promoted and efforts have been made to raise public awareness of forest issues, including restoration and rehabilitation of degraded land. Improvements have been made in the existing system for the protection against forest fires, including prevention, monitoring and fire risk systems.

In Portugal, There are 5 technical-professional schools, 5 polytechnic institutes and 2 universities, which provide education in the forestry sector. Sixty foresters graduate each year. The forest staff situation is below at the central level and poor at the district and field levels. In the public sector, there is a general lack of technical and research staff and of management, planning and implementation skills. There is also a great need for trained staff in the private sector.

Forest higher education is now taught at several universities and polytechnics, and Portuguese teachers and technicians also played a major role in the foundation of higher forestry education in other Portuguese speaking countries.

Usually, in Alentejo, PP2 suppliers and forest companies are managed by graduated forest engineers.

In Alentejo there are a technical school - "*Escola Superior Agrária de Beja*" that have Forest Engineering and provide the degree, training and scientific knowledge for forest sector. In Lisbon we can found too the *Instituto Superior de Agronomia*, that provide trainings and degrees in forest area.

ACT, with Labour inspection verified if all workers have the adequate training for working in forest activities.

In Portugal, Yearly all companies need to send to ACT Single report.

Single Report: Annual report on the information on the social activity of the company. The regulations of the Labour Code has created a unique obligation, employers', annual reporting on the social activity of the company, content and deadline for submission regulated by laws.

The Authority of Working Conditions (Autoridade para as Condições de Trabalho - ACT) produces an annual report on labour inspection activities.

Occupational safety and health (OSH) at work is covered by the Law 102/2009 of 10 September 2009 for the private sector and by Law 59/2008 of 11 September for the public sector on "Legal status of the promotion of safety and health at work"^[1]. The Law transposes into Portuguese law the framework Council Directive 89/391/EEC of 12 June 1989^[2] on the introduction of measures to encourage improvements in the safety and health of workers at work. This law regulates the legal regime of promotion and prevention

	of safety and health at work, in accordance with the provisions of Article 284 of the Labour Code ^[3], regarding prevention activities. This Decree-law also regulates: • The protection of pregnant, postpartum or breastfeeding workers in the case of activities which involve specific risk of exposure to agents, processes or working conditions, in accordance with the provisions of paragraphs 6 of Article 62 of the Labour Code ^[1]; • The protection of underage workers in the case of which by its nature or the circumstances in which they are provided, are harmful to their physical, mental and moral health, in accordance with the provisions of paragraphs 6 of article 72 of the Labour Code. This law complements the transposition of the following directives: Directive 91/383/EEC of 25 June 1991; Directive no. 92/85/EEC of 19 October 1992; Directive no. 94/33/EC of 22 June 1994; Directive 90/394/EEC. This law applies to all branches of activities in the private and social or cooperative sectors, to employees and employers, including non-profit organizations, and to self-employed workers. According to the legislation, each employer must operate a health and safety policy based on general principles (preventing risks, eliminating these at source or reducing these; with a priority to collective protective rather than individual measures; providing training and information for employees). In the organization of the health and safety at work services, the employer may choose one of the following modalities: internal service, joint service or external service. The organization and the functioning of the health and safety activities are defined by law. According to the legislation, the implementation of prevention measures must be preceded by risk assessment procedures, associated to the various stages of the production process, including preparatory activities, maintenance and repair, in order to obtain effective levels of protection for the safety and health of worker.
Means of Verification	▪ Results of questionnaires made by Pellets Power 2 to suppliers ▪ Existing legislation ▪ Level of enforcement ▪ Records of PP2 field inspections ▪ Monitoring records ▪ http://www.oet.pt/downloads/CDN/cursos/CURSOS_REGISTADOS.pdf ▪ http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/portugal/portugal-ewco-comparative-analytical-report-on-information-consultation-and-participation-of-workers ▪ Interviews with staff / Audits on field
Evidence Reviewed	▪ Labour Code ▪ Decree- Law No. 7/2009 of 12 February, as amended by Laws Nos 105/2009 of 14 September 53/2011 of 14 October, 23/2012, June 25 , 47/2012, of August 29, 69/2013, of August 30, and 27/2014, of May 8 ▪ http://www.act.gov.pt ▪ http://www.icnf.pt/portal/icnf/noticias/gloablnews/150-anos-de-ensino-superior-florestal-em-portugal

	▪ https://oshwiki.eu/wiki/OSH_system_at_national_level_-_Portugal
Risk Rating	☐ Low Risk ☐ Specified Risk ☒ Unspecified Risk at RA

	Indicator
2.3.3	Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.
Finding	The Portuguese forests areas according to species indicate that the predominant species are pine and eucalyptus. The majority of these forests are privately-owned. The first goals of these forests have been the main supporters to the establishment and development of wood based industries (sawn, pulp and paper) or in case of Pinus pinea (umbrella pine) is a specie of great interest and economical importance its management renders a variety of valuable products: nuts, resins, etc. and therefore has a good and beneficial impact on the local communities and incomes especially from the fruit - nuts production and marketing. Stone pine (Pinus pinea L.) is a species native to the Mediterranean area. Traditionally, the management of stone pine stands has tried to combine multiple objectives: edible pine nut production, timber, firewood, recreational use, landscaping, and protection against wind erosion on sandy soils. Pellets Power 2 receives the raw material coming from round wood, material from forest cleaning operations and pinus pinea and pinus pinaster plantation maintenance, including forest residues pine cones, tree tops, branches, that are excluded for another's uses. Another's species (broadleaf) are received from forest clean operations. Stone pines (Pinus pinea) come from the Mediterranean region and from the Iberian Peninsula to the Middle East, excluding North Africa. In Portugal, more than half of the area occupied by the stone pine, is located in the Setúbal district, in particular in Alcácer do Sal. For this reason, Alcácer do Sal district is called the "Solar do Pinheiro Manso" . Stone pines, in terms of dominant forest species, has increased, occupying in 2010, 175,742 ha (IFN 6). Pellets Power 2- Produção de Pellets,Lda receives material coming from forest clean operations and pine plantation maintenance (including round wood, pine cones, branches, needles, leaves, thinning etc..), that includes cleaning operations in older forest (more than 40 years). Pellets Power 2- Produção de Pellets, Lda valorize silvicultural residues, which final destination would be burning or incorporation in the soil. The raw material origin is all from Portugal (Alentejo). Pellets Power 2- Produção de Pellets Lda, receives the majority of fibre from Pinus pinea forest maintaince. The forest management practices consist in cleaning the trees and soil, and promoting the wood

pine growing. The forestry products derived from the same species: the timber and the pine nut (*Pinus pinea*).

All raw material received by Pellets Power 2- Produção de Pellets Lda is evaluated as FSC-Controlled Wood (included in our internal suppliers audits), and some percentage is FSC 100%.

Portuguese forest sector (state-of-art) - Pellets Power 2- Produção de Pellets,Lda:
The majority of Pellets Power 2- Produção de Pellets,Lda wood suppliers, work with the Organizations of Forest Producers (OF). Organizations of Forest Producers are a central element in the representation of interests and forest owners and managers, playing a working and support forest owners and producers to achieve the good practices of forest management.

The raw material received is from private land suppliers or National Authority forests, and we can found the following situations:

- National Authority forests – Cleanings forest /lands (to avoid fires, diseases wood etc...);
- Private small land suppliers (to avoid fires, and valorize economical quantities of their raw material etc..) (local suppliers);
- Land suppliers usually < 500 ha (land that include forest) , that use the land to for production of pine nuts (local suppliers);
- Certificated areas, , are valorized from other kind of industries, for example Paper mill;
- 100% certified material very residual because raw material price from certified areas is very high. The option is to guarantee FSC controlled wood in the case of small land suppliers (that is the majority of Pellets Power 2- Produção de Pellets, Lda suppliers);

All of the forestry work in the region is done with private forestry companies in the region. The forestry work contribute actively to increase employment in the region and consequently to improve the local economy.

According Central governmental region (CCDR-A), 2014 regional strategy for intelligent specialization of the Alentejo:

- Increased wooded area is explained in part "by the action of nature (natural regeneration) demonstrating natural fitness of Portuguese soil to the forest, but also by the action of forest owners who have continued to invest in the forest with actions of afforestation and reforestation "(IFN, 2010) .
- The Alentejo region is the 22th region where the activities "Agriculture, livestock, hunting, forestry and fishing" has the second largest economic expression (14.7% of the total; 2012);
- With regard to employment in the region, the most relevant sectors in the productive fabric, are the "public administration" and "Trade, Hotel and Restaurant" which together hold about half of regional jobs. The distribution of employment by economic activities, followed by the Industry and the "Agriculture, Forestry and Fisheries" which take about a quarter of regional employment
logging on to a very close relationship between the employment structure and the sectoral structure of (VAB) and following national structure.

Under the PRODER, the Sub-Program 4 - Knowledge and Skills, among other

	objectives, aims to promote and strengthen the capacity of agro-forestry sector to developed technological and scientific changes or developing, promoting innovation and favoring the use of partnerships must include producers and companies, and R & D organizations, technology centers and other related activities in a product perspective, sector or territory. ▪ The Alentejo region is the 22th region where the activities "Agriculture, livestock, hunting, forestry and fishing" has the second largest economic expression (14.7% of the total; 2012); ▪ According CCDR-A: in" this perspective, take a place clearly highlighted in the production profile of the region sectors "extractive industries" and "Agriculture, Livestock, hunting, forestry and fishing "
Means of Verification	▪ Results of FAO ▪ Suppliers inquiries ▪ Regional strategy for smart specialization of the Alentejo. (CCDR-A) ▪
Evidence Reviewed	▪ FAO- Portugal - Global Forest Resources Assessment 2015 – Country Report ▪ PDR 2020 (Mainland Rural Development Programme 2014-2020) ▪ http://www.ccdr-a.gov.pt/
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.4.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).
Finding	Law No. 33/96 of 17 August: defines the bases of national Forest Policy this act defines the following goals: 1. Define the foundations of national Forest Policy; 2.The National Forest Policy, fundamental to the development and strengthening of institutions and programs for the management, conservation and sustainable development of forests and associated natural systems, aimed at meeting the needs of the community, a framework of spatial planning. (decree-laws n. ° 254/2009, of 24-09, - Forest National Code, revoke by Decree-Laws n.º 12/2012) Some of the Alentejo areas that suffered cuts were replant. It is essential to new plantations, thus ensuring the vitality of forest ecosystems. Forest plantations have acquired an increasingly important emerging there is great interest on matters relating to its management system, such as the sustainability of productivity, conservation and efficient use of natural resources, the quantity and diversity of vegetation under covered and those relating to global change, given the importance that has been attributed to forest ecosystems in carbon sequestration.

The Sector Plan of Natura 2000 (PSRN2000) is a territorial management tool aimed at safeguarding and enhancement of sites and SPAs (Special Protection Areas) of the mainland, as well as the maintenance of species and habitats in conservation status favorable in these areas. In essence, it is an instrument for the management of biodiversity.

Ministry of Agriculture, Forestry and Rural development through ICNF, regulates the controls afforestation in Portugal and plan.

This is a plan developed to a macro-scale (1: 100,000) to the mainland, which features natural and semi-natural habitats and species of flora and present fauna on the Sites and SPAs, and define the strategic guidelines for the management of the territory covered by these areas, considering the natural values that occur in them.

According to the Portuguese government policies, the actions of afforestation and reforestation are subject to legal regulation since the adoption of the Forest Scheme in 1901, which now frame the initiatives, public or private nature, carried out in the forest area.

Afforestation and reforestation activities can promote both the productive recovery of wild spaces, or the restoration of degraded ecosystems and the evolution of the composition of the pre-existing settlements, adapting them to the forest management objectives of forest owners and managers. The planning and implementation should therefore ensure the pursuit of natural resource conservation objectives and rationalization of land use identified in 'general models of forestry and resource management' in the regional plans of forest management (PROF) and forest management plans (FMP), established by Decree-Law No. 16/2009 of 14 January, as amended by Decree-Law No. 114/2010 of 22 October.

According to the ICNF, in portuguese forest the main biotic agents identified are:

Cancro-resinoso-do-pinheiro fungo '*Gibberella circinata*'/'*Fusarium circinatum*'. Gorgulho-do-eucalipto '*Gonipterus platensis*' Marelli. Murchidão-do-freixo ("Dieback" do freixo) - fungo '*Hymenoscyphus pseudoalbidus*' (ou '*Chalara fraxinea*', na forma assexuada). Nemátodo-da-madeira-do-pinheiro (NMP) '*Bursaphelenchus xylophilus*'. Processionária-do-pinheiro vulgo "lagarta-do-pinheiro". Pulgão-dos-carvalhos '*Altica quercetorum*'. Sugador-de-pinhas '*Leptoglossus occidentalis*'. Vespa-das-galhas-do-castanheiro '*Dryocosmus kuriphilus*'.

The National Action/Control Plans were developed for each one of most relevant pests: Pinus Wilt Disease/nemátodo da madeira do pinheiro (NMP) in *Pinus pinaster*, gorgulho do eucalipto (*Gonipterus platensis*) in *Eucalyptus*, o sugador das pinhas (*Leptoglossus occidentalis*) in *Pinus pinea*, cancro resinoso do pinheiro (*Fusarium circinatum*) in *Pinus* and other coniferous.

The ICNF prepare the national reports update based on the prospection, monitoring and control of harmful biotic agents of a general nature and by biotic agent, which are available at: <http://www.icnf.pt/portal/florestas/prag-doe/plan-rel/rele>

The Operational Program on Forest Health (POSF), applicable only to the continent and approved by Council of Ministers Resolution No. 28/2014, of April 7, aims to fill a gap that has long been felt in the area of forest health, Making available in a synthetic way, the relevant knowledge in Portugal regarding Forest Protection and the adequate mechanisms and procedures for prevention and control.

This Program presents a generic diagnosis of the current situation in terms of

phytosanitary protection, defining the entities with competencies in the implementation of measures and actions, targeted to the various groups of harmful organisms and different forest production systems, establishing the bases of intervention for the reduction Risks of introduction, dispersion and damage.

The POSF is framed at the management level and at the level of forest protection, aiming at an adequate forest management that allows the sustainability of its ecosystems, as well as the definition of procedures, circuits and responsibilities, in order to guarantee the defense of the Against harmful biotic agents. The entities with responsibility for the implementation of measures and actions are identified in:

There are several entities that, in the exercise of their mission and attributions, are active in the control and enforcement of Community legislation on forest health, among which the Directorate General of Food and Veterinary Affairs, which has the status of National Plant Protection Authority , Competence performed in liaison with the Regional Directorates of Agriculture and Fisheries and the Institute of Nature Conservation and Forestry, IP, Other entities such as ASAE or GNR play an important role in the area of supervision and support to the implementation of measures Phytosanitary protection.

<http://www.icnf.pt/portal/florestas/prag-doe/posf> :

The ICNF promotes actions of dissemination to all stakeholders and operators. In addition there is the distribution of leaflets:

- *Proteja o seu pinhal - nemátodo da madeira do pinheiro;*
- *Receção e armazenamento de resinosas - regras e boas práticas;*
- *Corte e transporte de resinosas - regras e boas práticas;*
- *Sugador das pinhas, Leptoglossus occidentalis;*
- *Gorgulho do eucalipto, Gonipterus platensis;*
- *Murchidão do freixo, Chalara fraxinea;*
- *Cancro resinoso do pinheiro, Fusarium circinatum;*
- *Escaravelho-das-palmeiras, Rhyncophorus ferrugineus;*
- *Processionária-do-pinheiro ou lagarta-do-pinheiro, Thaumetopoea pytiocampa.*
- *Protocolo de higiene do nemátodo-da-madeira-do-pinheiro.*

According to the results of the ICNF, the National Plan of Action for the Control of Pine Nematode (NMP) - Summary of the Program "Concerning actions to eliminate trees with decline, were identified and eliminated in the campaign 2011/2012, near 900 thousand trees with decline, about 55% of which in the buffer zone. "

<http://www.icnf.pt/portal/florestas/prag-doe/plan-rel/p-acao/pa-nmp>
The 2013-2017 plan is currently underway.

The *PROSPECTIVE REPORT , MONITORING AND CONTROL OF ORGANISMS OF QUARANTINE*, related to the year 2014, presents the main aspects related to the execution of the plans of action directed to the quarantine organisms, nemátodo-da-madeira-do-pinheiro,cancro-resinoso-do-pinheiro and vespa -das-galhas-do-castanheiro, not only because of the ecological and socio-economic impacts they create but also because of the legal obligation to implement them.

	According to the ICNF, in Portugal, the following forest fire defense plans exist: ▪ Plano Nacional de Defesa da Floresta Contra Incêndios (PNDFCI); ▪ Plano Distrital da Defesa da Floresta Contra Incêndios (PDDFCI); ▪ Plano Municipal de Defesa da Floresta Contra Incêndios (PMDFCI); ▪ Plano Nacional de Sensibilização 2016 According to the PROVISIONAL FIREWORKS REPORT - 2016, ICNF, 10/21/2016, the national forest fire database registers, in the period from January 1 to October 15, 2016, a total of 13,079 occurrences (2,677 forest fires and 10,402 hot flushes) that resulted in 160,490 hectares of burned area, between stands (85,785 ha) and bushes (74,705 ha). It should be noted that in the Alentejo zone (Districts: Evora and Beja) the area with the lowest (inexistent) number of occurrences / burned area (Table 2 - Number of occurrences and area burned, by district, between January 1 and October 15, 2016) http://www.icnf.pt/portal/florestas/dfci/planos/PNDFCI. In this finding are excluded the climate changes and their impact on the Portuguese vitality forest (example of this can be: increase of pests and diseases, number of fire increase, maladaptation, increase in invasive species, deforestation etc...) . In this case can be see: the report - STRATEGY FOR THE ADAPTATION OF AGRICULTURE AND FORESTS TO CLIMATE CHANGE (MAMAOT, 2013). In Alentejo region, the main phytosanitary problems are, for the <i>Pinus pinaster</i> the <i>Pine Wilt</i> Disease, that agent is the presence of the pine wood nematode (<i>Bursaphelenchus xylophilus</i>) and Scolytidae, and for the <i>Pinus pinea</i>, the Scolytidae. In both situations, the phytosanitary recommendation is the cutting of disease trees and the elimination of leftovers in the field/forest. The practices are implemented to avoid the propagation of the healthy trees. The owner land follows the forest Management Plan (when applied) and best practices. All material is supported with a manifesto documents showing the source (wood pine) and/or EUTR documents that proof origin, and if is infected or not. For all coniferous pine wood is necessary ICNF document, designated coniferous timber manifesto Forest. The coniferous wood forest manifest nematode is a mandatory official document obtained by ICNF, and has to accompany the transport of timber from since forest conifers to final destination. Regarding the scope of this evaluation, and according to the defined species (<i>Pinus Pinea</i> and <i>Pinus Pinaster</i>), it is considered a low risk indicator.
Means of Verification	▪ PGF - Plans Forest Management ▪ sheets ecological characterization and management of natural values of the Sectorial Plan of the Natura 2000 network on web site ▪ Existing legislation ▪ Monitoring results. ▪ Governmental Reports

Evidence Reviewed	▪ IFN - INVENTORY FOREST NATIONAL ▪ http://www.icnf.pt/portal ▪ http://www.ccdr-lvt.pt/pt/reserva-ecologica-nacional-ren/1345.htm ▪ http://www.dgadr.mamaot.pt/ambord/reserva-agricola-nacional-ran ▪ http://www.icnf.pt/portal/ap/amb-priv ▪ http://www.icnf.pt/portal/ap/nac ▪ www.icnf.pt/florestas ▪ Decree Law No. 169/2001 of 25 May, Decree Law No. 243/89 of December 4 ▪ (http://www.icnf.pt/portal/naturaclas/rn2000/p-set/q-e) ▪ http://www.ccdr-lvt.pt/pt/reserva-ecologica-nacional-ren/1345.htm ▪ http://www.dgadr.mamaot.pt/ambord/reserva-agricola-nacional-ran ▪ http://www.icnf.pt/portal/naturaclas/rn2000/rn-pt/rn-contin/sic-pt) ▪ Monitoring Plagues and Diseases: http://www.icnf.pt/portal/florestas/prag-doe/plan-rel/resourc/doc/rel/Relatorio-execucao-Prosp-Monitoriz-contrololo-Pragas-Quarentena-2014-agosto-2015.pdf ▪ Monitoring and assessment Report PNDFCI ▪ MONITORING AND EVALUATING THE 2009-2010 NATIONAL FIELD DEFORESTATION PLAN FOR FIRE ▪ POSF - Operational Program of Forest Health. ▪ National Action Plan for the Control of Pine-Wood Nematode for the period 2013 – 2017 ▪ Plano Nacional de Defesa da Floresta contra Incêndios (PNDFCI)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.4.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).
Finding	(see 2.4.1) Law No. 33/96 of 17 August: defines the bases of national Forest Policy this act defines the following goals: 1. Define the foundations of national Forest Policy; 2. The National Forest Policy, fundamental to the development and strengthening of institutions and programs for the management, conservation and sustainable development of forests and associated natural systems, aimed at meeting the needs of the community, a framework of spatial planning. (decree-laws n. ° 254/2009, of 24-09, - Forest National Code, revoke by Decree-Laws n.° 12/2012) PP2 is authorized by ICNF to receive wood contaminated by diseases (including infected with NMP). It is indicated as a treatment of this disease industry, the battle plan has to be mandatorily accomplished by industries receiving any pine wood.

WOOD FROM THE CONIFER SLAUGHTER IN CONTINENTAL PORTUGAL - RULES FOR RECEPTION, STORAGE AND TRANSPORTATION - (Decree-Law No. 95/2011 of 8 August):

- K) *For the purpose of this manual is understood by:*

- i. *Processing: subjecting the wood to processing using glue, heat and pressure or a combination thereof, to ensure freedom from live nematode (eg MDFs, Pellets, Briquets, plywood, particleboard, OSB)*

GENERAL RULES FOR INDUSTRIAL UNITS WOOD RECEPTION

- a) *Every timber can only be received by industrial units by copying presentation of Exploration Manifesto*

Forest Conifers host the Pine Wood Nematode (NMP), which shall be recorded the date of receipt of the same and attached load bead.

- b) *Obvious logging should be kept for a minimum period of two years;*

- c) *by-products resulting from the processing of timber host conifers of NMP (eg bark, sawdust, sawdust, slabs) and are not consumed in the industrial units should leave the plants accompanied by clear logging, where this movement is permitted;*
- d) *products resulting from the processing of woody material of conifers host of NMP (eg sawn planks, poles)*

which have not been subjected to heat treatment (HT), for not fitting in cases where it is required, should come out of the industrial units accompanied with manifest forestry;

- e) *The logging manifest must necessarily be obtained online through the application available on the website of the AFN, printed and signed for is considered valid; f) manifests logging referred to in paragraphs c) and d) must be completed as follows:*

- i. *Select the "Manifesto" tab in the "Type of activity" field, the "timber transport" option;*
- ii. *Fields "with symptoms of decline" and "responsible disposal of surplus" should be left as they are filled by default;*
- iii. *The declarant shall be responsible for the transportation of action, that is, if the client is the carrier that will buy the material to the "factory gate" should be it to fill the manifest as declarant;*
- iv. *If, as an alternative to that described in the previous paragraph, for the industrial units to deliver the material at the end customer, should be the industrial units to fill the manifest as declarant;*
- v. *In the "Destination" tab, in the "stuff destination" should select the "economic operator registered" to destinations must be registered as traders in the Official Register (eg other sawmills, secondary processing industries) or, alternatively, "construction civil ", " agricultural use "or" place of burning.*

The Administrative Local division (forest plans contain measures which are necessary to the protection of forests against fires and, in addition to preventive measures, including forecasting and integrated planning of interventions of the various entities involved before the possible occurrence of fires. Defence Plans of the Forest are prepared by the Municipal Committees for the Defense of Forest Fire in line with the National Plan for Prevention and Protection of the Forest against the Forest Fires and the Regional Forest Planning. All forest properties should include a good network of firebreaks. In Portugal there is the Operational Program of Forest Health, which establishes measures and prevention and control actions, defining the intervention basis for reducing the risk of introduction, dispersion and damage caused by harmful biotic agents also defines the entities with responsibilities in the implementation of these measures and actions, envisaged for the various groups of harmful biotic agents and to different forest systems.

The greatest dangers threatening the forests of the Alentejo region, are forest fires and the occurrence of pests and diseases. After the occurrence of large forest fires, it may be necessary to the recovery of burned areas. The recovery of burned areas involves, and forest systems of non-intensive forestry, three distinct phases:

The first, often designated as "speech" or "emergency stabilization" follows shortly after (or even during) the phase of fire fighting and aims not only control erosion and protection of river system, but also the defense of infrastructure and stations and sensitive habitats;

The following is a phase of "rehabilitation" in the next two years, in which whether it will, among others, the damage assessment and reaction ecosystem, the salvage collection and, where appropriate, pest control, biophysics rehabilitation and even longer to reforestation sensitive areas;

In the third phase are planned and implemented projects definitive recovery / reforestation, usually from the three years after the passage of fire.

In stands of softwood and / or eucalyptus after the passage of fire should be cut all the trees whose canopies to be fully affected.

In all the stands to be made a monitoring forest pests and diseases.

Forest management of public and private forests are based on forest management plans, where the procedures and measures to check the natural processes, fires, pests and diseases are managed properly are defined.

According to the results of the ICNF, the National Plan of Action for the Control of Pine Nematode (NMP) - Summary of the Program "Concerning actions to eliminate trees with decline, were identified and eliminated in the campaign 2011/2012, near 900 thousand trees with decline, about 55% of which in the buffer zone. "

<http://www.icnf.pt/portal/florestas/prag-doe/plan-rel/p-acao/pa-nmp>

The 2013-2017 plan is currently underway.

The *PROSPECTIVE REPORT , MONITORING AND CONTROL OF ORGANISMS OF QUARANTINE*, related to the year 2014, presents the main aspects related to the execution of the plans of action directed to the quarantine organisms, nemátodo-da-madeira-do-pinheiro, cancro-resinoso-do-pinheiro and vespa -das-galhas-do-castanheiro, not only because of the ecological and socio-economic impacts they create but also because of the legal obligation to implement them.

The National Civil Protection Authority published the results of fires.

According to the ICNF, in Portugal, the following forest fire defense plans exist:

- Plano Nacional de Defesa da Floresta Contra Incêndios (PNDFCI);
- Plano Distrital da Defesa da Floresta Contra Incêndios (PDDFCI);
- Plano Municipal de Defesa da Floresta Contra Incêndios (PMDFCI);
- Plano Nacional de Sensibilização 2016

According to the PROVISIONAL FIREWORKS REPORT - 2016, ICNF, 10/21/2016, the national forest fire database registers, in the period from January 1 to October 15, 2016, a total of 13,079 occurrences (2,677 forest fires and 10,402 hot flushes) that resulted in 160,490 hectares of burned area, between stands (85,785 ha) and bushes (74,705 ha). It should be noted that in the Alentejo zone (Districts: Evora and Beja) the area with the lowest number of occurrences / burned area (Table 2 - Number of occurrences and area burned, by district, between January 1 and October 15, 2016)

	http://www.icnf.pt/portal/florestas/dfci/planos/PNDFCI. Ministry of Agriculture, Forestry and Rural development through ICNF, regulates the controls fires forest control in Portugal and plan. The ICNF, IP's mission is to propose, monitor and ensure the implementation of conservation policies of nature and forests, to promote the conservation, sustainable use, appreciation, enjoyment and public recognition of the natural heritage, promoting the sustainable development of forest areas and associated resources, increasing the competitiveness of the forestry sector, ensure the structural prevention in the framework of concerted planning and action in the field of forest protection and hunting resources and aquaculture in inland waters and other directly related to forest and forestry activities . The ICNF, IP's mission is to act in accordance with the powers laid down in the National Defense Forest Fire System (SND FCI) and according to the National Defense Plan Forest Fire (PNDFCI), including coordinating the actions of structural prevention in the awareness of aspects, planning, organization of forest land, forestry, and also ensure the coordination and management of forest program; Regarding the scope of this evaluation, and according to the defined species (<i>Pinus Pinea</i> and <i>Pinus Pinaster</i>), it is considered a low risk indicator.
Means of Verification	- Records plant - (MEF)Forestry logging manifest for conifers - Regional best management practices - National Defence Plan Forest Fire - National forest fire results
Evidence Reviewed	- Decree-Law No. 95/2011 of 8 August - Decree-Law nº 156/2004 of 30 june - ICNF: http://www.icnf.pt/portal/florestas/dfci http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/ree2012/rel-recup-inc-catraia-set-v5 http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/CNR-OER-Docfinal.pdf http://www.icnf.pt/portal/florestas/dfci/relat/raa/resource/ficheiros/GestaoPosFogo-Brochura-DGRF2005.pdf - Monitoring Plagues and Diseases: http://www.icnf.pt/portal/florestas/prag-doe/plan-rel/resourc/doc/rel/Relatorio-execucao-Prosp-Monitoriz-controlo-Pragas-Quarentena-2014-agosto-2015.pdf - Monitoring and assessment Report PNDFCI - MONITORING AND EVALUATING THE 2009-2010 NATIONAL FIELD DEFORESTATION PLAN FOR FIRE - POSF - Operational Program of Forest Health. - National Action Plan for the Control of Pine-Wood Nematode for the period 2013 – 2017 - Plano Nacional de Defesa da Floresta contra Incêndios (PNDFCI)

	▪ Report - STRATEGY FOR THE ADAPTATION OF AGRICULTURE AND FORESTS TO CLIMATE CHANGE (MAMAOT, 2013). ▪ Estrategia Nacional das Florestas (RCM n.º 6-B/2015 - Diário da República n.º 24/2015, 1º Suplemento, Série I de 2015-02-04);
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.4.3	The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is adequate protection of the forest from unauthorised activities, such as illegal logging, mining and encroachment (CPETS7c).
Finding	The Portuguese forest management areas are protected from illegal harvesting, settlement and other unauthorized activities. The main threats mentioned by WWF are continuing conversion of these forest areas to agriculture, grazing or urban use. Other threats are frequent fires, harvesting of the remaining areas of natural forests, the excessive use of exotic species and overgrazing. According to this indicator, Portugal can be considered a low risk country. www.panda.org/about_our_earth/ecoregions/mediterranean_forests_scrub.cfm www.icnf.pt The national nature conservation system is based on legal protection regimes (such as the National network of protected areas, Natura 2000 network, etc.), which limits the activities allowed in these areas. There is also an inspection authority, SEPNA, whose results, and their effectiveness, have increased over the years. According the results published by Transparency International (a global network of anti-corruption NGO represented in Portugal by the Transparency and Integrity, Civic Association (TIAC), Portugal is still no progress in the Corruption Perceptions Index. Portugal repeated the score of last year - 63 points on a scale of 0 to 100, with 100 "very transparent" and 0 "not transparent". https://transparencia.pt/2016/01/27/cpi2015/ Operação Floresta Segura 2016 (GNR/SEPNA): According GNR - National Protection Republic (GNR, until October 31, throughout the national territory, the operação Floresta Segura 2016, materialized in actions of patrolling, monitoring of forest areas, detection and first intervention in forest fires, validation and measurement of areas burned in forest fires and in the investigation of their causes. With regard to forest monitoring, which aims to prevent and detect the outbreak of forest fires, the GNR has active the national network of lookout stations, with a total of 920 guards being engaged for this purpose, according to the following phases of commitment : · 1st phase (until June 30) - 72 watchtowers in operation equipped with two guards each; · 2nd phase (as of July 1) - 230 watchtowers in operation, equipped with four vigilantes each.

	With regard to the first intervention actions in forest fires, 591 military from the Protection and Relief Intervention Group (GIPS) will be involved. A total of 948 military and civilian personnel from the Service for the Protection of Nature and the Environment (SEPNA) will also be involved, in addition to monitoring and patrolling forest areas, in order to detect and repress illegal activities against forest patrimony, validate and measure areas and investigate the causes of fires. According Illegal Logging Portal, Illegal logging is not a significant problem in Portugal. As an EU Member State, Portugal is required to implement the EU Timber Regulation, which came into force in March 2013. The indicator has been assessed as low.
Means of Verification	▪ Autoridade nacional de proteção civil : <i>Pov: Povoamento Florestal, lct: Inculto/Mato, Agrícola</i> ▪ Maps, Records of PP2 field inspections ▪ Publicly available information
Evidence Reviewed	▪ www.panda.org/about_our_earth/ecoregions/mediterranean_forests_scrub.cfm ▪ www.icnf.pt ▪ www.afn.min-agricultura.pt ▪ www.gnr.pt ▪ www.govindicators.org ▪ National Civil Protection Authority ▪ Decree-Law nº 123/2015 3 July ▪ https://transparencia.pt/2016/01/27/cpi2015/ ▪ http://www.illegal-logging.info/regions/portugal ▪ http://www.gnr.pt/comunicado.aspx?linha=49
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.5.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest are identified, documented and respected (CPET S9).
Finding	There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned. In Portugal there are no Indigenous or Tribal Peoples, such as defined by the United Nations. In Portugal, the legal system and measures to resolve conflicts pertaining to traditional rights are effective and comply with FSC requirements. The ownership and use of land are respected. Between 1 July and 30 September is not allowed to use the forest fire. In hunting areas is forbidden picking mushrooms, asparagus and other wild products. Public forest areas can be used for recreation and leisure. Private forest areas can only be used with permission of the owner.
Means of Verification	▪ ILO Convention 169
Evidence Reviewed	▪ Articles 1305, 1444 and paragraph 1 of Article 1451 of the Civil Code. Ordinance No. 180/2015, of June 19.
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.5.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfilment of basic needs.
Finding	The raw material origin is from Alentejo. Pellets Power 2- Produção de Pellets Lda, receives the majority of fibre from Pinus pinea forest maintaince. The forest management practices consist in cleaning the trees and soil, and promoting the wood pine growing. The forestry products derived from the same species: the timber and the pine nut (Pinus pinea). All raw material received by Pellets Power 2- Produção de Pellets Lda is evaluated as FSC-Controlled Wood (included in our internal suppliers audits), and some percentage is FSC 100%. Portuguese forest sector (state-of-art) - Pellets Power 2- Produção de Pellets,Lda: The majority of Pellets Power 2- Produção de Pellets,Lda wood suppliers, work with the Organizations of Forest Producers (OF). Organizations of Forest Producers are a central element in the representation of interests and forest owners and managers, playing a working and support forest owners and producers to achieve the good practices of forest management. The raw material received is from private land suppliers or National Authority forests, and we can found the following situations: - National Authority forests – Cleanings forest /lands (to avoid fires, diseases wood etc...);

	- Private small land suppliers (to avoid fires, and valorise economical quantities of their raw material etc..) (local suppliers); - Land suppliers < 500 ha , that use the land to for production of pine nuts (local suppliers); - Certificated areas, , are valorised from other kind of industries, for example Paper mill; - 100% certified material very residual because raw material price from certified areas is very high. The option is to guarantee FSC controlled wood in the case of small land suppliers (that is the majority of Pellets Power 2- Produção de Pellets, Lda suppliers); In Portugal and in the region the production of feedstock does not affect food production, water supply and livelihoods of communities. Forest management of the property is always based on the Forest Management Plan and all forest areas are subject to supervision by the Guarda Nacional Republicana - Serviço Protecção da Natureza (SEPNA)
Means of Verification	▪ Stakeholders interview
Evidence Reviewed	▪ Decree-Law No 16/2009 of 14 January - legal regime of management plans, management and intervention forest under
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.6.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.
Finding	Grievances and disputes, including those relating to tenure and usage rights, relating to forest management practices and work conditions are regulated by basic legislation, namely, the Constitution, the Law of Obligations Act, the Labour Code etc. The detailed procedures, duties and responsibilities of involved persons are defined in the Portuguese basic legislation. In Portugal and in the region working conditions are regulated and supervised by the ACT. The ACT is to promote the improvement of working conditions by: Enforcement of labour standards; Promotion of occupational risk prevention policies and Enforcement of legislation on safety and health at work. Occupational safety and health (OSH) at work is covered by the Law 102/2009 of 10 September 2009 for the private sector and by Law 59/2008 of 11 September for the public sector on “Legal status of the promotion of safety and health at work” . The Law transposes into Portuguese law the framework Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work. This law regulates the legal regime of promotion and prevention of safety and health at work, in accordance with the provisions of Article 284 of the Labour Code , regarding prevention activities. This Decree-law also regulates: • The protection of pregnant, postpartum or breastfeeding workers in the case of activities which involve specific risk of exposure to agents, processes or working conditions, in accordance with the provisions of paragraphs 6 of Article 62 of the Labour Code;

- The protection of underage workers in the case of which by its nature or the circumstances in which they are provided, are harmful to their physical, mental and moral health, in accordance with the provisions of paragraphs 6 of article 72 of the Labour Code.

This law complements the transposition of the following directives: Directive 91/383/EEC of 25 June 1991; Directive no. 92/85/EEC of 19 October 1992; Directive no. 94/33/EC of 22 June 1994; Directive 90/394/EEC. This law applies to all branches of activities in the private and social or cooperative sectors, to employees and employers, including non-profit organizations, and to self-employed workers.

According to the legislation, each employer must operate a health and safety policy based on general principles (preventing risks, eliminating these at source or reducing these; with a priority to collective protective rather than individual measures; providing training and information for employees). This policy should be integrated into the company's general management policy.

In the organization of the health and safety at work services, the employer may choose one of the following modalities: internal service, joint service or external service. The organization and the functioning of the health and safety activities are defined by law.

The Conservation Institute for Nature and Forestry, I. P. is a public institute in indirect State administration, endowed with administrative and financial autonomy and its own assets.

Some forestry companies belong to a forest association, ANEFA - National Association of Forestry Companies, Agriculture and the Environment. The ANEFA is a nationwide association consisting of companies operating in the field of spatial planning, particularly in the context of forestry, agriculture and the environment and aims to protect the rights and promote the interests of members. The objectives of ANEFA are: exercise all activities within the law and the present statutes, contribute to the progress of associated companies; represent members from public, semi-public and unions; develop the spirit of solidarity, with a view especially the exercise of rights and common obligations; conclude collective agreements on behalf of members and support them when so requested in the resolution of labour issues; organize and maintain services of interest to member companies and be under that come to be regulated, the funds necessary for this purpose and cooperate with public authorities, semi-public, trade unions and other organizations in order to carry out joint interest initiatives whose purpose is to promote the interests collective.

In Portugal there is a union representing the workers, who work in the agriculture, food, forestry, animal husbandry and related sectors. FSU is designated SETAA - Union of Agriculture, Food and Forestry.

They may be members of SETAA all workers who carry out their professional activity in companies of the sectors the union covers independently of profession that there exercises and the respective category: technical, administrative, auxiliary, workers, etc.

The disputes related to work conditions shall be resolved according to administrative procedures and labour legislation (the main authorities are: GNR, ACT- Governmental Authority for working conditions and Justice ministry).

	Prevailing practice is to include additional clarification statements in the working agreements concerning the dispute resolutions. In addition, the trade unions can assist in resolving disputes over working conditions and can use their own procedures and agreements. The companies contracted to forest management shall be registered by the Portuguese financial system , and according to the labor law. Inspectors check the act and conduct visits to companies to verify legal compliance. The forest management areas are dividing in private or public. In Alentejo public forest areas are managed by ICNF, and in case of the private land areas the management are done by the landlord. The landlord or/and ICNF hire the external services to specialized forest companies. According DGT (General Management of Territory) for Alentejo there are available territory register to all municipalities. All Alentejo has geometrical register of rustic properties. The forest accusations are conducted by ICNF through the countermand. Then the process can follow to treatment in justice court. According FSC (Forest Stewardship Council) , since 2011 that Portugal was considered low risk for the following categories : ▪ Illegally harvested wood ▪ Wood harvested in violation of traditional and civil rights ▪ Wood harvested in forests where high conservation values are threatened by management activities ▪ Wood harvested in forests being converted to plantations or non-forest use ▪ Wood from forests in which genetically modified trees are planted Pellets Power 2 – Produção de Pellets, Lda has already FSC Certificate (Multisite) since 2012, FSC Chain of custody and FSC Controlled Wood Certification. All raw material receive can be classified at least as FSC Controlled Wood. Nevertheless, PP2 has implemented an audits field system to check the compliance timber suppliers with the policy of forestry management, environmental and social questions. Yearly, PP2 select few timber suppliers to audit in field. The audits are conducted by PP2 staff, and are checked management issues/ forestry, environmental maintenance and safety of workers. A checklist is filled with the suppliers evidence and information. Since May 2016, that PP2 require a new document in every incoming raw material designated by "<i>cut timber permission or/and forestry cleanings</i> – named: MOD31), in addition to the already requested forestry logging manifest for conifers, transport documentation records etc. This document has the owner land permission and forestry company that supply the raw material.
Means of Verification	▪ Existing legislation ▪ Level of enforcement ▪ Regional Best Management Practices ▪ Records of Biomass field inspections ▪ Monitoring records ▪ Interviews with stakeholders and local community members ▪ http://www.act.gov.pt/(pt-PT)/Itens/QueixasDenuncias/Paginas/default.aspx

Evidence Reviewed	▪ Decree-Law No. 26/94 of February 1, 7/95 of 29 March and 109/2000 of 30 June. Decree Law No. 347/93 of 1 October and concierge nº987 / 93 of 6 October. Decree Law No. 441/91 of 14 November. ▪ www.act.pt ▪ http://www.dgterritorio.pt/cadastro/cadastro_geometrico_da_propriedade_rustica_cgpr_/consultar_seccoes_cadastrais/ ▪ Constitution of the Republic of Portugal.
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.7.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.
Finding	Freedom of Association and effective recognition of the right to collective bargaining are regulated by the Employment Contracts Act, The General Workers' Union (UGT) is a Union of Central Portugal, Union of Agricultural Food and Forestry (SETAA), and the Constitution of the Republic of Portugal. There are two main union confederations in Portugal – the CGTP-IN and the UGT. The CGTP-IN is larger: it reported to its latest Congress in January 2012 that it represented 614,088 workers. The structure of trade unionism in Portugal is complex, in part because of the long-lasting inheritance of the authoritarian corporatist regime which continued until the April revolution of 1974. The 2006 green paper stated that a total of 421 trade union bodies were registered with the ministry of labour in 2005: 348 trade unions, often based locally rather than nationally, 27 industry federations, 36 district groupings and seven confederations (including the two largest, CGTP-IN and UGT). Although around 50 of these bodies were considered at the time to be no longer operating and there have been changes since, the structure is still very fragmented. The database of the ministry of labour showed 490 union organisations in existence on 31 December 2010. According Constitution of the Republic of Portugal, Article 56, Rights of trade unions and collective bargaining: 1. Trade unions defend and promote the protection of rights and interests of the workers they represent. 2. The rights of trade unions: a) participate in the preparation of labor legislation; b) To participate in the management of social security institutions and other organizations which meet the interests of workers; c) Pronouncing on the economic and social plans and monitor their implementation; d) To be represented in social dialogue bodies in accordance with the law;

- e) Participate in the company's restructuring, particularly with regard to training or when there is a change in working conditions.
3. Trade unions exercise the right to collective bargaining which is guaranteed under the law.
4. The law establishes the rules governing the powers to conclude collective labour agreements, and the validity of its rules.

SETAA (Union of Agricultural Food and Forestry) fight for the rights of its members, in particular for their collective rights of collective groups. Acts with the Governments in the search for solutions to improve the conditions of life and work of workers represents. Major issues common to the members, as more and better jobs; combating illegal employment; better standards of health and safety at work illegal; improved standards of hygiene and safety at work; equal rights for men and women in labour activity; rights, duties and freedoms of workers; the maximum working hours, increased productivity and economic recovery of jobs, etc. etc.

Occupational safety and health (OSH) at work is covered by the Law 102/2009 of 10 September 2009 for the private sector and by Law 59/2008 of 11 September for the public sector on "Legal status of the promotion of safety and health at work" . The Law transposes into Portuguese law the framework Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work. This law regulates the legal regime of promotion and prevention of safety and health at work, in accordance with the provisions of Article 284 of the Labour Code , regarding prevention activities. This Decree-law also regulates:

- The protection of pregnant, postpartum or breastfeeding workers in the case of activities which involve specific risk of exposure to agents, processes or working conditions, in accordance with the provisions of paragraphs 6 of Article 62 of the Labour Code;
- The protection of underage workers in the case of which by its nature or the circumstances in which they are provided, are harmful to their physical, mental and moral health, in accordance with the provisions of paragraphs 6 of article 72 of the Labour Code.

This law complements the transposition of the following directives: Directive 91/383/EEC of 25 June 1991; Directive no. 92/85/EEC of 19 October 1992; Directive no. 94/33/EC of 22 June 1994; Directive 90/394/EEC. This law applies to all branches of activities in the private and social or cooperative sectors, to employees and employers, including non-profit organizations, and to self-employed workers.

According to the legislation, each employer must operate a health and safety policy based on general principles (preventing risks, eliminating these at source or reducing these; with a priority to collective protective rather than individual measures; providing training and information for employees). This policy should be integrated into the company's general management policy.

In the organization of the health and safety at work services, the employer may choose one of the following modalities: internal service, joint service or external service. The organization and the functioning of the health and safety activities are defined by law.

	Portugal as ratified ILO Convention C098 - Right to Organise and Collective Bargaining Convention.
Means of Verification	- Existing legislation - Level of enforcement - Records of Biomass Producer's field inspections - Supply workers contracts - Monitoring records
Evidence Reviewed	- Union of Agricultural Food and Forestry (SETAA) - Constitution of the Republic of Portugal. - General Workers' Union (UGT)→Labour Code http://www.setaa.pt/index.php/Servicos-aos-Associados.html - Occupational safety and health (OSH) at work is covered by the Law 102/2009 of 10 September 2009 for the private sector http://www.worker-participation.eu/National-Industrial-Relations/Countries/Portugal/Trade-Unions - C098 - Right to Organise and Collective Bargaining Convention, 1949 http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312243:NO
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.7.2	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.
Finding	According of Constitution of the Republic Portuguese, Article 56,Rights of trade unions and collective bargaining: 1. Trade unions defend and promote the protection of rights and interests of the workers they represent. 2. The rights of trade unions: a) participate in the preparation of labor legislation; b) To participate in the management of social security institutions and other organizations which meet the interests of workers; c) Pronouncing on the economic and social plans and monitor their implementation; d) To be represented in social dialogue bodies in accordance with the law; e) Participate in the company's restructuring, particularly with regard to training or when there is a change in working conditions. 3. Trade unions exercise the right to collective bargaining which is guaranteed under the law. 4. The law establishes the rules governing the powers to conclude collective labor agreements, and the validity of its rules. Inspections are carried out to workers by the ACT. The Authority for Working Conditions (ACT), as the central service of the direct administration of the State with administrative autonomy, assumes strategic commitments based on a set of assumptions (mission, vision, values, strategic objectives, knowledge of internal and external environments, stakeholders in the work of the ACT, etc.), aimed at its consolidation as a public entity reference in the promotion of safety and health.

	The act is responsible for the continuous improvement of quality standards, effectiveness and efficiency, which should govern the public administration, with full respect for national and international frameworks, including the International Labour Organization Convention. Portugal has ratified the ILO C105 - Abolition of Forced Labour Convention and C29 -<i>Forced Labour Convention</i> “Committee previously noted the strengthening of the legal and institutional machinery for combating trafficking in persons and asked the Government to provide information on the implementation of the second National Plan against Trafficking in Human Beings (PNCTSH II). The Committee notes the information on this matter sent by the Government in its report and particularly notes the following: – awareness-raising campaigns publicized through various communication media; – training sessions organized by the Labour Conditions Authority (ACT) and the Centre for Judicial Research (CEJ) for labour inspectors, judges and staff of the Public Prosecutor’s Office. This training is part of the initial training for officials or is provided as further training; – dissemination to the police force and labour inspectors of “cards for the identification of victims of human trafficking”, which contain questions and indicators designed to help them to identify and assist trafficking victims; – implementation of the “Trafficking Victims Support and Protection Network” (RAPVT), in the context of which several memoranda of understanding have been signed between the Government and NGOs with a view to achieve a better cooperation with the “Observatory on Trafficking in Human Beings” (OTSH); – projects run by the OTSH in collaboration with regional and international organizations to strengthen partnerships and harmonize procedures for surveillance and also for the collection, processing and sharing of data.”
Means of Verification	▪ Existing legislation ▪ Level of enforcement ▪ Records of Biomass PP2 field inspections ▪ Supply workers contracts ▪ Monitoring records
Evidence Reviewed	▪ Union of Agricultural Food and Forestry (SETAA) ▪ Constitution of the Republic of Portugal. ▪ General Workers' Union (UGT)→Labour Code ▪ http://www.setaa.pt/index.php/Servicos-aos-Associados.html ▪ http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312250:NO ▪ http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:13100:0::NO:13100:P13100_COMMENT_ID:3184590:NO
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.7.3	The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.
Finding	http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3146443:NO Direct Request (CEACR) - adopted 2013, published 103rd ILC session (2014) Minimum Age Convention, 1973 (No. 138) - Portugal “Article 2(3) of the Convention and Part V of the report form. Compulsory schooling and application of the Convention in practice. The Committee notes the comments made by the CGTP–IN that although the national legislation is generally in conformity with the provisions of this Convention, the austerity policies to which the country is currently subjected is creating a severe economic and social crisis and is generating widespread impoverishment among the population and that a new wave of child labour is feared to be gaining strength. The CGTP–IN states that according to the 2012 United Nations Children’s Fund (UNICEF) report entitled “Measuring child poverty”, 14.7 percent of Portuguese children below the age of 16 years live below the poverty line. The current trend towards reducing cash transfers and cutting family allowances and education support paid to the most deprived families, particularly during a time of high unemployment and job insecurity has contributed to an increased rate of school dropouts and to a fresh increase of child labour. Moreover, the Programme for Social Inclusion and Citizenship (PIEC) which included the Integrated Programme for Education and Training (PIEF) and through which 3,296 children benefitted during the year 2011–12, came to an end while its responsibilities were transferred to the Social Security Institute. Hence, in a context of crisis and increasing domestic difficulties as well as an absence of monitoring tools like the PIEC, the school drop-out rate is also rising and there is a backward trend in the fight against child labour. According to the Ministry of Education, the school drop-out rate stood at 20.8 per cent in 2012. While the CGTP–IN acknowledges that the economic exploitation of child labour has diminished considerably in Portugal, there are still sectors in which child labour persists in a hidden form, such as in family work on farms or commercial operations, and domestic work done for third parties. In addition, the activities of the Authority for Working Conditions (ACT) has been considerably reduced due to a drastic reduction in human and material resources, a situation that is increasingly exacerbated by the effects of the crisis and the implementation of the austerity measures. The Committee notes the Government’s statement that the number of minors working illegally is rather insignificant and that the child labour phenomenon in Portugal, in so far as it persists, is purely residual. The Committee notes the Government’s statement that the activities carried out by the ACT includes in-depth inspection visits to enterprises in which minors are employed in contravention of the general conditions of employment and of health and safety standards. According to the data on ACT inspections of child workers, 77 visits were carried out in 2012, and one minor was detected to be working in violation of the minimum age requirements. The inspection data also indicates that in 2012, 16 notifications and five warning notices were issued, while a total fine of €28,482 was imposed for violations relating to medical examinations of minors and minimum requirements for admission to employment. Furthermore, as per the data collected from the annual reports of labour inspection, in 2011, 404 inspectors carried out inspections in 80,159 establishments where a total of 93 minors were employed and, in 2012, 391 inspectors visited 37,398 establishments where a total of 13 minors were employed. The Government further indicates that no cases of child workers were found in domestic or home-based occupations.

	The Committee also notes from the Government's report submitted under the Worst Forms of Child Labour Convention, 1999 (No. 182), that the elimination of the PIEC and the incorporation of its objectives into the Social Security Institute entailed the development of a new organizational model, particularly attributing specific responsibilities to all ministries concerned. Furthermore, the PIEF, in its new role also offers psychosocial care, in addition to offering education and training to students thereby responding to the specific needs of the student in integrating them into schools. The Government report also indicates that according to the PIEF diagnosis, in 2012–13, of the 3,933 problems identified relating to children of compulsory schooling age, 1,695 cases concerned early school leaving, 988 cases concerned school absenteeism and 26 cases concerned child labour. (..) The Committee encourages the Government to continue its efforts to reduce the school drop-out rates, particularly during this period of economic and financial crisis, by providing appropriate family benefits and educational support to deprived families." http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3146502:NO Direct Request (CEACR) - adopted 2013, published 103rd ILC session (2014) Worst Forms of Child Labour Convention, 1999 (No. 182) - Portugal "The Committee also notes from the Government's report that the OTSH has signed a Memorandum of Understanding with 22 governmental and non-governmental entities as well as with the Institute for Child Support (IAC) with a view to the adoption and use of a Dynamic Application Database System for monitoring and publicizing trafficking in human beings. Moreover, several training and awareness-raising programmes were initiated within the scope of the II PNCTSCH, such as the cue card for victims of trafficking in human beings which provides a description on dealing with child victims of trafficking; the Anti-Human Trafficking Manual for Criminal Justice Practitioners; and "Inhuman Trafficking", a travelling exhibit which was displayed in 13 municipalities and three secondary schools. In addition, the Social Security Institute prepared a sectoral plan setting out the measures in reporting trafficking on the basis of the number of victims who receive care and assistance through the emergency hotline, the district centres, the shelter and the protection centre. The Committee finally notes the Government's information that according to the data provided by the state monitoring authorities and the OTSH, from 2008 to 2012, a total of 17 child victims of trafficking were identified including 15 girls, of which 11 cases related to trafficking for sexual exploitation and three cases each for labour exploitation and adoption."
Means of Verification	- Existing legislation - Level of enforcement - Supply contracts - Records of Biomass
Evidence Reviewed	- ILO conventions - The Constitution of the Republic of Portugal
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.7.4	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using labour which is discriminated against in respect of employment and occupation.
Finding	In 1967 and 1959, Portugal ratified the ILO Convention Nos. 100 and 111 respectively. Relevant sections of the convention have been incorporated into Portuguese legislation through the Employment Contracts Act – Labour code. Social security is a governmental system that aims to ensure basic rights of citizens and equal opportunities, as well as promote well-being and social cohesion for all Portuguese citizens or foreigners engaged in professional activity or reside in the territory. The law of general bases of the Social Security System (Law 4/2007 of 16 January) defines the general basis on which the system is based, as well as private initiatives similar purposes. “ 1. <i>Work of equal value</i>. The Committee notes that, under section 32(d) of Act No. 35/2004 of 29 July, issuing regulations under the new Labour Code of 2003, work of equal value refers to a series of tasks, undertaken for the same employer and considered equivalent taking into account qualifications or experience, responsibilities, physical and psychological effort and the conditions under which the work is performed. The Committee recalls that equal remuneration within the meaning of the Convention has to be provided for work of equal value, even if it is of a different nature or performed under different conditions for different employers. This broad basis for comparison is intended to identify discrimination which may result from the existence of occupational categories and jobs that are reserved for women and is intended to eliminate inequality of remuneration in sectors in which women are concentrated, or for jobs that are traditionally considered to be "female", which may be undervalued by reason of sexual stereotyping (see General Survey of 1986 on equal remuneration, paragraphs 19 to 23). The Committee asks the Government to take these comments into account with a view to applying the new provisions in a broader manner, in accordance with the principle set out in the Convention. 2. <i>Objective appraisal of jobs</i>. The Committee notes that, under the terms of section 28(3) of the Labour Code, systems for the appraisal of tasks and functions have to be based on objective criteria common to men and women so as to exclude any discrimination based on sex. The Committee asks the Government to provide information on the methods used to undertake an objective appraisal of jobs on the basis of the work to be performed. 3. <i>The wage gap</i>. The Committee notes the information provided by the Government. It notes in particular the activities carried out by the Committee for Equality in Labour and Employment (CITE) and that a Second National Plan for Equality is being implemented. The Committee asks the Government to provide information indicating whether these measures have contributed to reducing wage differences, taking into account not only the basic wage, but also additional components of wages, as provided for by <i>Article 1(a) of the Convention</i>, under which the term "remuneration" includes the ordinary, basic or minimum wage or salary and any additional emoluments whatever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker's employment. The Committee also notes the comments made by the General Union of Workers (UGT) and the General Confederation of Portuguese Workers (CGTP) attached to the Government's report. According to the UGT, the most significant progress in this respect relates in particular to the

	improvement of the legislation, but the wage gap still persists. The UGT reports that Portugal is the country in the European Union with the greatest inequalities. A woman is reported to earn on average 77 percent of the remuneration of a man, with this proportion falling to 67 per cent for women manual workers. The CGTP also reports a considerable wage gap and expresses the view that only the statutory obligation to introduce affirmative action measures in collective agreements will lead to a reduction in this gap. It also emphasizes that more and more enterprises are adopting a system of bonuses, which penalizes women even more. In practice, it is difficult for women to benefit from these bonuses due to their family obligations. The Committee asks the Government to provide its observations on these comments. 4. <i>The wage gap and the objective appraisal of jobs.</i> The Committee notes with interest that, with a view to combating inequalities between women and men on the labour market, the CITE is currently participating in nine projects under the European Community's EQUAL initiative, some of which specifically address the issue of equal remuneration. It notes in particular the project "Revaluing work to promote equality", undertaken in the catering subsector, which employs 82,928 persons. Employers' and workers' organizations are supporting and participating in the project, the aim of which is to formulate and test a method for the appraisal of jobs based on the evaluation of the work, which could contribute to reducing any disparities between the remuneration of men and women. The ILO is participating in this project by providing technical assistance. The Committee asks the Government to keep it informed of progress in implementing the project and its impact on the sector. 5. The Committee notes with interest the ruling by the Court of Appeal of Porto, of 20 October 2003, which relates to equal remuneration. Please continue providing information on any relevant court decisions and on the activities of the labour inspectorate in the field of equal remuneration."
Means of Verification	- Existing legislation - Level of enforcement - Supply contracts - Payroll records
Evidence Reviewed	http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102815 http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:225700 http://www.seg-social.pt/inicio
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.7.5	The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is supplied using labour where the pay and employment conditions are fair and meet, or exceed, minimum requirements.
Finding	According to the legislation (Labour code) all employees shall have signed an employment contract, which is a basis for obligatory social security, .

According to the labor code information on relevant aspects in the performance of work
,Article 106

Information obligation:

- 1 - *The employer must inform employees of relevant aspects of the employment contract.*
- 2 - *The employee must inform the employer of relevant aspects for the provision of labor activity.*
- 3 - *The employer must pay the employee at least the following information:*
 - a) *The respective identification, in particular, with society, the existence of a corporate coalition relationship of reciprocal ownership, control or group, as well as the seat or domicile;*
 - b) *the place of work or, not having a fixed or predominant, indicating that the work is performed in various locations;*
 - c) *The worker category or a brief description of the corresponding functions;*
 - d) *The contract award date and the start of its effects;*
 - e) *the expected duration of the contract, if it is concluded the term;*
 - f) *the duration of the holiday or the criteria for its determination;*
 - g) *The periods of notice to be observed by the employer and the employee for the termination of the contract, or the criteria for its determination;*
 - h) *The amount and frequency of remuneration;*
 - i) *The normal daily and weekly working time, specifying the cases where it is defined on average;*
 - j) *The insurance policy number of accidents and the identification of the insurer;*
 - l) *The collective regulation instrument applicable work, if any.*
 - m) *identification of labor compensation fund or similar mechanism, as well as labor compensation guarantee fund provided for in specific legislation.*
- 4 - *Information on the elements referred to in points f) i) above may be replaced by a reference to the relevant provisions of the law, the collective regulation instrument applicable work or the internal rules of the company.*
- 5 - *is a serious administrative offense the violation of the provisions of any paragraph of paragraph 3*

Illegal employment in Portugal is controlled and preventative measures implemented by different institutions, such ACT .

The minimum wage is defined by the Government. According to the Minimum Wage Act, the minimum wage from 1 January 2016 was 530 euro per month in the case of full work time.

Social Security Institute, I.P.- Social security is a governmental system that aims to ensure basic rights of citizens and equal opportunities, as well as promote well-being and social cohesion for all Portuguese citizens or foreigners engaged in professional activity or reside in the territory.

The law of general bases of the Social Security System (Law 4/2007 of 16 January) defines the general basis on which the system is based, as well as private initiatives similar purposes.

It is an obligation of Employers deliver every month Social Security Statement of Remuneration, in which, for each worker to his service, must indicate the amount of compensation that is subject to discounts, the working times and the contribution rate applicable.

	According to the Authority for working conditions (ACT), Inspection Activity of Work Report 2014: 2.2. Overall activity of ACT control were carried out in 2014, 1,641 visits and establishments visited by (the) inspectors (the) ACT) in the Alentejo Region, that can be found in Work Report 2014. The Authority for Working Conditions (ACT), an entity of the Central Government, was established by Decree-Law No. 326-B / 2007 of 28 September, has the mission to promote the improvement of working conditions by enforcement of labor standards in the context of private labor relations, and the promotion of prevention of occupational hazards policy. It also the enforcement of legislation on safety and health in all activity sectors and in the services and bodies of the central public administration, direct and indirect, and local, including public institutes in the forms of personalized services or of public funds. One of the objectives of the labor inspection system is to promote and monitor compliance with legal, regulatory and contractual provisions on social and labor context and health and safety at work.
Means of Verification	- Existing legislation - Level of enforcement - Supply contracts - Records of Biomass Producer's field inspections - Monitoring records
Evidence Reviewed	- Employment Contracts - Minimum Wage - Labour code (ACT) - Social Security Institute, I.P.: http://www.seg-social.pt/documents/10152/14351558/declaracao_remuneracoes.pdf/9081147a-2e9e-40c6-90c2-a0f10e2eb84f - PRACTICAL GUIDE DECLARATION OF REMUNERATION at SOCIAL SECURITY INSTITUTE, I.P. - Inspection Activity of Work Report 2014 (www.act.pt)
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.8.1	The Biomass Producer has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).
Finding	According the Constitution of the Republic of Portugal, Rights, freedoms and guarantees of workers, Article 53, Job security: It is guaranteed to security workers in employment, being prohibited the dismissal without just cause or for political or ideological reasons. <i>Article 54</i> <i>Workers' committees</i> <i>1. It is the right of workers to create committees of workers to defend their interests and democratic intervention in the life of the company.</i> <i>2. Workers deliberate the constitution, approve the statutes and elect, by direct and secret ballot, members of works councils.</i> <i>3. can be created coordinating committees to better intervention in economic restructuring and to ensure the interests of workers.</i> <i>4. Committee members shall enjoy the legal protection afforded to union representatives.</i> <i>5. The rights of workers committees:</i> <i>a) receive all information necessary for the exercise of their activity;</i> <i>b) exercise management control in companies;</i> <i>c) To participate in the company's restructuring, particularly with regard to training or when there is a change in working conditions;</i> <i>d) Participate in the preparation of labor legislation and the economic and social plans, that concern their sector;</i> <i>e) To manage or participate in the management of social activities of enterprises;</i> <i>f) To promote the election of workers' representatives to the governing bodies of companies belonging to the State or other public entities, under the law.</i> <i>According to the labour code information on relevant aspects in the performance of work</i> <i>Article 106 Information obligation</i> <i>j) The insurance policy number of accidents and the identification of the insurer;</i> According to the Authority for working conditions (ACT), Inspection Activity of Work Report 2014 for Agriculture sector (including forest activity): <i>"National agricultural sector is made up of family and small and medium enterprises (SMEs) widely dispersed, with organizational deficits and marked by a strong seasonality. It develops also intensive agriculture in more suitable geographical areas where the companies operating in this segment together increasingly common features to businesses of most business sectors, except with regard to seasonality here is greater. ACT has implemented a strategic plan of action for the agriculture, livestock and forestry with the social and institutional partners of the sector which has proved very effective in sharing knowledge and information. This knowledge is essential for a proper assessment of occupational risks and adopt the necessary conditions for the implementation of an effective quality of life in rural areas, thus enabling an expansion and deepening of the relationship between the different agents in the sector.</i> <i>'ve Streamlined network with industry associations promoting the circulation of information and dissemination of good practice. instruments were created and disseminated in the area of prevention of occupational risks, to strengthen the</i>

	<i>intervention capacity of the actors in the implementation of good safety and health practices and promote the improvement of working conditions in the sector, appropriate to the reduction of occupational accidents and diseases professionals.</i> <i>The final balance of the strategic action plan for the agricultural, livestock and forestry sector is important to note the dynamics implemented by social and institutional partners in the promotion and realization of seminars, awareness-raising, developed in work areas, clarification directly to farmers and forest producers of information relevant to the improvement of working conditions in the various activities of the sector, the distribution of instruments for disclosure and correction of irregular situations detected by the established network should continue to work in response to the results of actions awareness and inspetiva action.</i> <i>In 2014 were carried out 1,006 visits in the agricultural sector, and was covered 5,107 workers and 540 employers, a total of 593 establishments. As a result of inspet intervention performed, 355 coercive procedures were formalized, corresponding to the minimum of penalties of € 544,177.40. “</i> The Authority for Working Conditions (ACT), an entity of the Central Government, was established by Decree-Law No. 326-B / 2007 of 28 September, has the mission to promote the improvement of working conditions by enforcement of labor standards in the context of private labor relations, and the promotion of prevention of occupational hazards policy. It it also the enforcement of legislation on safety and health in all activity sectors and in the services and bodies of the central public administration, direct and indirect, and local, including public institutes in the forms of personalized services or of public funds. One of the objectives of the labor inspection system is to promote and monitor compliance with legal, regulatory and contractual provisions on social and labor context and health and safety at work. The specifics of the agricultural and forestry work, and characteristics of rural areas require that the solutions adopted in the field of prevention of occupational risks are properly adjusted taking into account, among others, the following aspects: • Information and training of professionals; • The organization of work; • The design of agricultural buildings; • The selection and maintenance of equipment; • The choice and the correct use of chemicals The labor inspection system in agriculture and forestry shall be responsible for: a) to secure the enforcement of legal provisions relating to conditions of work and protection of workers while engaged in their work, such as provisions relating to hours of work, wages, weekly rest and holidays and public holidays, hygiene and welfare, the employment of women, children and adolescents and other related issues, to the extent that labor inspectors are responsible for ensuring the implementation of those provisions; b) to supply technical information and advice to employers and workers concerning the most effective means of complying with the legal provisions; c) draw the attention of the competent authority defects or abuses not specifically covered by existing legal provisions and to submit proposals on the improvement of legislation.
Means of Verification	▪ Existing legislation ▪ Level of enforcement ▪ Supply contracts ▪ Records of Biomass Producer's field inspections

	Monitoring records
Evidence Reviewed	- Union of Agricultural Food and Forestry (SETAA) - Constitution of the Republic of Portugal. - General Workers' Union (UGT) - Labour Code http://www.setaa.pt/index.php/Servicos-aos-Associados.html - Labour code (ACT) - Inspection Activity of Work Report 2014 (www.act.pt)
Risk Rating	☐ Low Risk ☐ Specified Risk ☒ Unspecified Risk at RA
Comment or Mitigation Measure	PP2 has implemented an audits field system to check the compliance timber suppliers with the policy of forestry management, environmental and social questions. Yearly, PP2 select few timber suppliers to audit in field. The audits are conducted by PP2 staff, and are checked management issues/ forestry, environmental maintenance and safety of workers. A checklist is filled with the suppliers evidence and information.

	Indicator
2.9.1	Biomass is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.
Finding	13.5.1.The Ramsar convention entered into force in Portugal on 24 March 1981. Portugal currently has 31 sites designated as Wetlands of International Importance (Ramsar Sites), with a surface area of 132,487 hectares. 13.5.2.In Alentejo there classified two ramsar areas: Estuário do Sado and Lagoa de S. André / Lagoa da Sancha. The forest areas that may have high carbon stock, can be Wetlands and Peatland. Pellets Power 2 received <i>Pinus Pinea</i> and <i>Pinus Pinaster</i> that no grow up in this areas (Wetlands and Peltland). Pellets Power 2 does not receive raw material from land which: • at any time during or after January 2008 was a Primary Forest unless that land is still a Primary Forest • at any time during or after January 2008 was land designated for nature protection purposes (unless production of that biomaterial did not interfere with purposes for which this land was designated); • at any time in January 2008 was peatland (unless the cultivation and harvesting of biomaterial did not involve the drainage of previously undrained soil); • at any time in January 2008 was a continuously forested area (unless that land is still a continuously forested area); • at any time in January 2008 was a lightly forested area (unless that land is still a lightly forested area, or unless the resulting wood pellets meet the GHG emission criterion when the GHG emissions from land use change are included and the relevant percentage is calculated using actual GHG values);

- at any time in January 2008 was wetland (unless that land is still a wetland)

According FAO (2015), Portugal have area of permanent forest estate, Forest area within protected areas, Forest area under sustainable forest management, Primary designated function.

Portugal doesn't have forest stands specifically managed towards the targets above presented. Therefore, we consider that is adequate to consider that:

- "Forest area primarily designated or managed for coastal stabilization", the forested coastal area, including the dune sites.
- "Forest area primarily designated or managed for protecting communities or assets from the impacts of erosion riparian floods and landslides or for providing flood plain services", the forest area sites that have slope above 30% plus forest mountain areas (altitude above 800 meters) and forest installed to protect river and hidric lines, as well as public water reservoirs.

The above mentioned values are refered to mainland territory (continental).

In Alentejo, protected species are covered by legal instruments existing conservation in Portugal country network Natura 2000 (Habitats and Birds Directive), National Ecological Reserve (REN) and National Agricultural Reserve (RAN).

Natura 2000 is a network of designated areas to conserve habitats and rare wild species threatened or vulnerable in the European Union. Results from the implementation of two separate Community Directives:

- Birds Directive (79/409 / EEC of 2 April) on the conservation of wild birds.
- Habitats Directive (92/43 / EEC of 21 May) on the protection of wildlife habitats and fauna and flora.

The aim of the Berne Convention is to conserve wild flora and fauna and their natural habitats, especially those species and habitats whose conservation requires the cooperation of several States, and to promote such cooperation. It is assigned a particular emphasis on endangered or vulnerable, including migratory species.

The National Ecological Reserve (REN) is a biophysical structure that integrates areas of value and ecological sensitivity or exposed and susceptibility to natural hazards. It is a public utility constraint that determines the occupation, use and transformation of soil uses and actions consistent with its objectives.

National Agricultural Reserve (RAN) is defined as the land set that, depending on their characteristics in terms of agro- climatic, geomorphological and pedological, which have greater aptitude for agriculture activity

The RAN is a territorial management tool, which consists of a public utility restriction, by establishing a set of constraints to non-agricultural land use, and which plays a key role in preserving the soil resource and its allocation to agriculture.

Protected Areas are areas created and managed by the national authority may, however, be proposed by any public or private entities, including local authorities and environmental non-governmental organizations.

According NIR 2014 , Wetlands, includes all lands permanently or temporarily covered in water, such as natural wetlands, water reservoirs and inland natural lagoons, lakes and estuaries

	Land use Category and name Description for Forest Land are : Pinus pinaster, Forests dominated by maritime pine; Quercus suber, Forests dominated by cork oak; Eucalyptus spp., Forests dominated by eucalypt species; Quercus rotundifolia, Forests dominated by holm oak; Quercus spp., Forests dominated by other oaks; Other broadleaves, Forests dominated by any other broadleaf species; Pinus pinea, Forests dominated by umbrella pine; Other coniferous, Forests dominated by any other coniferous species. Portuguese National Inventory Report, 2014 According ICNF: <i>The proportion of classified mainland (National Network of Protected Areas and Natura 2000) amounts to ca. 21%. The National Network of Protected Areas covers an area of ca. 681,220 ha.</i> <i>Currently all 25 protected areas nationwide have management plans in place. There are currently 11 protected areas of the local / regional and private protected area. Natura 2000 network in continental Portugal consists of 60 SIC (Sites of Community Importance) and 40 SPA (Special protection areas) covering a total land area of ca. 1.9 million ha, which added ca. 180 000 ha marine.</i> <i>An analysis of the distribution of the most important classes of land use by the two most significant types of protected areas (National Network of Protected Areas and Natura 2000), shows that agroforestry territory covers, as a whole, ca. 80% of the surface of protected areas in Portugal, which underscores the importance of the management of certain agro-forestry activities for the management biodiversity. It should be noted that about ¾ of wetlands and coastal Portugal are integrated in some protected area typology, which attests to the importance given to the protection of these particularly sensitive ecosystems.</i> According portuguese legislation, are subject to prior authorization by the ICNF while conservation authority of nature and biodiversity, the following actions, acts and activities: to change the current use of the land wetland or marine areas. <i>Priority Measures for Natura 2000 wetlands habitats and species (including peatlands).</i> Pellets Power 2 – Produção de Pellets, Lda is already FSC Certificate (Multisite) since 2012, FSC Chain of custody and FSC Controlled Wood Certification. All raw material that we receive can be classified at least as FSC Controlled Wood. Nevertheless, PP2 has implemented an audits field system to check the compliance timber suppliers with the policy of forestry management, environmental and social questions. Yearly, PP2 select few timber suppliers to audit in field. The audits are conducted by PP2 staff, and are checked management issues/ forestry, environmental maintenance and safety of workers. A checklist is filled with the suppliers evidence and information. Since May 2016, that PP2 require a new document in every incoming raw material designated by "cut timber permission or/and forestry cleanings – named: MOD31), in addition to the already requested forestry logging manifest for conifers, transport documentation records etc. This document has the owner land permission and forestry company that supply the raw material.
Means of Verification	▪ Existing legislation ▪ Level of enforcement

	- Public Regions Maps - Maps, records of PP2 fiel inspections - Sheets of ecological characterization and management of natural values of the Sectorial Plan of the Natura 2000 network - Ramsar maps
Evidence Reviewed	- From 6.º INVENTORY FOREST NATIONAL. Areas of land use and forest species of Portugal continental (Preliminary results v1.1 fevereiro'2013) - Decree-Law No. 254/2009, of 24-09, on the Forest code and 169/2001, of 25-05, revoke by Decree-Laws n.º 12/2012; changes must be submitted to the National Forest Authority (AFN). - FAO- Portugal - Global Forest Resources Assessment 2015 – Country Report - Portuguese National Inventory Report , 2014 . APA Rede Natura 2000 http://www.icnf.pt/portal/naturaclas/rn2000/resource/docs/financ-14-20/paf http://www.icnf.pt/portal/ap/amb-priv http://www.icnf.pt/portal/ap/nac www.icnf.pt/florestas - Decree Law No. 169/2001 of 25 May, Decree Law No. 243/89 of December 4 (http://www.icnf.pt/portal/naturaclas/rn2000/p-set/q-e) http://www.icnf.pt/portal http://www.cedr-lvt.pt/pt/reserva-ecologica-nacional-ren/1345.htm http://www.dgadr.mamaot.pt/ambord/reserva-agricola-nacional-ran http://www.icnf.pt/portal/naturaclas/rn2000/rn-pt/rn-contin/sic-pt) - Directive 92/43 / EEC of 21 May 1992, "on the conservation of natural habitats and of wild fauna and flora", known as "the Habitats Directive" aims to contribute to the conservation of habitats natural (Annex I) and species of flora and wild fauna (Annex II), with the exception of birds (protected by the birds Directive) considered threatened in the European Union. - Portuguese Environmental Agency, National Inventory Report (NIR) 2014 , PORTUGUESE NATIONAL INVENTORY REPORT ON GREENHOUSE GASES, 1990 – 2012, SUBMITTED UNDER THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE AND THE KYOTO http://www.icnf.pt/portal/naturaclas/ei/ramsar
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.9.2	Analysis demonstrates that feedstock harvesting does not diminish the capability of the forest to act as an effective sink or store of carbon over the long term.
Finding	All public forest areas ought to have a forest management plan (PGF) and are submitted to a public consultation process before being approved. One of the aims of the Regional Forest Planning is the definition of the minimum area of the management units, above which they will be compelled to base their management in Forest Management Plans (PGF), elaborated according to the rules defined by the Decree - Law n.º 205/99 of 9 of June. The use of forest management plans is already a reality in part of the forest area of Alentejo. The option for this instrument of management decision was taken by the majority of the management units where dimension and complexity converge. Some agro-forest management units, where the effects of the economy of scale are present, are examples. The non generalization of this type of instrument to support management is essentially due to the fact that the gains attained are null or even negative when the management units are in a lower baseline of dimension and complexity. IFN 6: The National Forest Inventory (IFN) is the process of producing statistics and mapping, on the abundance, status and condition of national forest resources. IFN provides information on key aspects of forest resources, such as areas of major forest species, stocks and woody availability, carbon storage, vitality and forest diversity. The Mediterranean stone pine, <i>Pinus pinea</i> L. (Pinaceae), is one of the most appreciated species in the Mediterranean basin due to the multiple products and functions it offers (timber and fruit production, resins, soil protection, biodiversity, or landscape). Between them the most interesting from the economic point of view is the pine nut production. The first goal of forest management is to improve the productions (timber and cones/pine nuts). This strategic forest planning methodology allows the integration of two different silvicultures (timber production or forest products) and the choice of the best in each stand. Enough wood comes from thinnings and pruning not thus decreasing the sustainability of the ecosystem and keeping as an efficient sink of carbon over the long term. Alentejo cutting level, fires and other activities that reduce the stock has not been increasing, not decreasing the carbon sequestration capacity of the forest. Alentejo in the number of forest fires decreased between 1981 and 2014, with 392 and 344 incidents, respectively. The National Defense Plan for Forest Fire is a strategy and a coordinated set of actions to foster the active forest management, creating conditions conducive to the progressive reduction of forest fires. One of the objectives of the Basic Law of the Forest Policy is to ensure forest protection against biotic and abiotic agents, particularly against fire. The Conservation Institute for Nature and Forestry is responsible for Forest Firefighters Program. This program aims to protect the forest fire. The Institute for Financing Agriculture and Fisheries, the Association of Forestry Producers and companies linked to the forestry sector promote and support new plantings. The forest area of the Alentejo region, has been increasing. In 1980 there was a forest area of 663,665 ha and in 2010, 840,322 ha.

	According Portuguese National Inventory Report 2014, forest land has stabilised over the last years, despite the increases in afforestation areas. Nevertheless, forests have been a net-sink since 1990, with annual values ranging between -11 Mt CO₂eq and -18 MtCO₂eq. According NFI6 (National Forestry inventory) in the Alentejo region there is a net increase in forest area from 25000 hectares between 1995 and 2010. According NFI6, The forest area decreased during the period 1995-2010, corresponding to a net loss rate of -0.3% per year. The wooded area (stands) increased (+ 0.4% per year) over the same period. There is a significant increase of wooded areas with pine pineas trees (+ 54%). According the NFI 5, <i>Pinus Pinea</i> volume was 4330 (x1000)m³, and <i>Pinus Pinaster</i> 85756 (x1000)m³, total biomass of <i>Pinus Pinaster</i> 49690 k ton and <i>Pinus Pinea</i> 5325. The CO₂eq store was for <i>Pinus Pinaster</i> 91098 k ton, and for <i>Pinus Pinea</i> 9763 k ton. According Portuguese national inventory report on Greenhouse gases 1990-2014 (May, 27th 2016), Agência Portuguesa do Ambiente, estimates of emissions and sinks from land use change and forestry category show that this category has changed from being a net emitter in 1990 (1.7 Mt CO₂ eq.) to a carbon sink in 1992. This situation was again reverted in the years 2003 and 2005 due to the severe forest wildfires events registered in these years. In 2014 this sector represents a sequester of -10.3 Mt CO₂eq. Questions regarding forest fires are addressed at indicators 2.4.1 and 2.4.2. According to the information provide above there can be considered low risk.
Means of Verification	- Existing legislation - Level of enforcement - Public Regions Maps - Maps, records of PP2 fiel inspections
Evidence Reviewed	- NFI6 - INVENTORY FOREST NATIONAL / NFI5 - INVENTORY FOREST NATIONAL - FAO Portugal - Global Forest Resources Assessment 2015 – Country Report - Portuguese Environmental Agency, National Inventory Report (NIR) 2014 , PORTUGUESE NATIONAL INVENTORY REPORT ON GREENHOUSE GASES, 1990 – 2012, SUBMITTED UNDER THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE AND THE KYOTO http://www.pordata.pt/Municipios/Inc%C3%AAndios+florestais-41 www.ifap.min-agricultura.pt www.icnf.pt - Portuguese national inventory report on Greenhouse gases 1990-2014 (May, 27th 2016), - Avaliação e Cenário Futuros Projeto LANDYN - http://www.dgterritorio.pt/static/repository/2015-01/2015-01-29115800_54ab20bb-0b19-4b78-b3b7-038c54e07421\$A466C622B-84E8-4957-B11E-25B916C851FB\$A483D82F-A1DE-40D3-916E-CE72268E2CC3\$File\$pt\$1.pdf
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

	Indicator
2.10.1	Genetically modified trees are not used.
Finding	Pellets Power 2 doesn't receive genetically modified tree. According FSC Portugal: The deliberate release into the environment of Genetically Modified Organisms (GMOs) is regulated by Directive 2001/18/CE, of 17th April (transposed to national law by decree-law n. ° 72/2003, of 10-04). As part of its responsibilities, the Portuguese Environment Agency (APA) maintains records on the location of cultivated GMOs, so as to supervise their effects on the environment and provide the public with information on their deliberate release into the environment As to field trials with GMOs for experimental aims, decree-law n. ° 72/2003 establishes a specific permission process, whereby the designated authority analyses the information submitted, namely environmental risk assessment, public consultation and the opinion of the national Health and Agriculture authorities. According FSC, in Portugal, there is only one record of the use of genetically modified trees – a trial by a private company, Celbi, which terminated in 2001. In Portugal, licenses are required for commercial use of genetically modified trees, as specified by Decree-law n. ° 72/2003, of 10-04.
Means of Verification	- Records in PP2 - Records of MEF - Forestry logging manifest for conifers - Audits reports - Existing legislation
Evidence Reviewed	- Decree-law No 16/2009 - Forest Management Plan http://www.apambiente.pt/index.php?ref=16&subref=85
Risk Rating	☒ Low Risk ☐ Specified Risk ☐ Unspecified Risk at RA

Annex with list of documents, research, statistics used.

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