



# Supply Base Report:

## DSHwood A/S II Second Surveillance Audit

**Sustainable Biomass Program**  
sbp-cert.org



## Completed in accordance with the Supply Base Report Template Version 2.2 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

For further information on the SBP Framework and to view the full set of documentation see [www.sbp-cert.org](http://www.sbp-cert.org)

### Document history

|                    |                                |
|--------------------|--------------------------------|
| <b>Version 1.0</b> | <b>Published 26 March 2015</b> |
| <b>Version 2.0</b> | Published 10 August 2023       |
| <b>Version 2.1</b> | Published 15 April 2024        |
| <b>Version 2.2</b> | Published 21 May 2025          |
| <b>Version 2.3</b> | Published 14 August 2025       |

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## 1 Overview

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Producer name:</b>                    | DSHwood A/S II                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Producer address:</b>                 | Bødkervej 7B, 7000 Fredericia, Denmark                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>SBP Certificate Code:</b>             | SBP-10-18                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Geographic position:</b>              | 55.530526, 9.713923                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Primary contact:</b>                  | Iben Sibbern,<br>+45 606 417 05,<br>ibs@dshwood.com                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Company website:</b>                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Date report finalised:</b>            | 18 Oct 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>SBR reporting period from:</b>        | 01 Jul 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>SBR reporting period to:</b>          | 30 Jun 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Name of the Certification Body:</b>   | Preferred by Nature OÜ                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Certification Body Approval date:</b> | 03 Jan 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>SBP Standard(s) used:</b>             | SBP Standard 1: Feedstock Compliance v2.0, SBP Standard 2: Feedstock Verification v2.0, SBP Standard 4: Chain of Custody v2.0, SBP Standard 5: Collection and Communication of Data v2.0, Instruction Document 1A: SBP Requirements for Primary Feedstock from Trees Outside Forests (TOF) v1.0, Instruction Document 5E: Collection and Communication of Energy and Carbon Data v2.0, Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0 |
| <b>Feedstock origin (countries)</b>      | Italy (Puglia)                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Weblink to Standard(s) used:</b>      | <a href="https://sbp-cert.org/documents/standards-documents/standards">https://sbp-cert.org/documents/standards-documents/standards</a>                                                                                                                                                                                                                                                                                                                                               |

## 2 Description of the Biomass Producer and the Supply Base

### 2.1 Description of the company

DSHwood is a dedicated wood trading company dealing in logs, lumber and woodchips from European forests. DSHwood does not own any of the forests, industry or equipment, but manage the entire trade process from harvest to end-user supply, buying directly from suppliers and selling directly to the end-users. DSHwood supply significant volumes to major markets across the globe.

DSHwood's mother company is located in Denmark with subsidiaries in United Kingdom, Germany and France. DSHwood was established in 1967 as a trading office of the Danish Forest Association, the trade organisation of private forest owners, to develop export opportunities for Danish wood. In 2000, DSHwood became an independent subsidiary of the Danish Forest Association.

DSHwood mother company holds SBP, FSC, PEFC, RBP and SURE certifications.

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

**Number of employees:** 50

**Annual maximum production capacity (metric tonnes):** 500000

**Number of direct feedstock suppliers:** 50

**Approximate number of feedstock sub-suppliers:** 0

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

The organization receives the feedstock directly from the plantation owner, and the feedstock is then onsite felled and converted to woodchips, and subsequently transported to the storage facility in the harbour for further shipment.

### 2.2 Detailed description of the Supply Base

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

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

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

|                                                                       |                                                               |
|-----------------------------------------------------------------------|---------------------------------------------------------------|
| <b>Country</b>                                                        | Italy                                                         |
| <b>Area/Region</b>                                                    | Puglia                                                        |
| <b>Exclusions</b>                                                     |                                                               |
| <b>Feedstock types</b>                                                | Primary feedstock                                             |
| <b>Feedstock Product Groups</b>                                       | Trees outside forest (TOF) - Agricultural land feedstock (3A) |
| <b>Feedstock inputs</b>                                               | SBP Compliant feedstock                                       |
| <b>Is the forest managed to supply energy and non-energy markets?</b> | No                                                            |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Yes - Majority                                          |
| <b>Risk assessment(s)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Yes – Biomass Producer's own risk assessment used (SBE) |
| <b>Provide a concise summary of why a SBE was determined to be required or not required here:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                         |
| <p>The Organization is not exempt from developing, implementing and maintaining an SBE according to Table 1 in 3.2 of the SBP Standard 2 version 2.0, or as the guidance reasons:<br/>         If the Organisation is sourcing Primary feedstock that is not certified, an SBE with risk mitigation for Indicators that conclude specified risk must have risk mitigation measures</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         |
| <b>Feedstock types included in SBE:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Primary feedstock                                       |
| <b>Includes EU RED SBE:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No                                                      |
| <b>Includes EU RED II SBE grandfathering</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | No                                                      |
| <b>Includes EU RED TOF:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes                                                     |
| <b>Includes EU RED II TOF grandfathering</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | No                                                      |
| <b>Size of Supply Base area (million ha):</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.5500                                                  |
| <b>Map(s) of the Supply Base area:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         |
| <p>The economy of the South-Italian region of Puglia (3,9 million inhabitants, 19.500km<sup>2</sup>) is to a very large extent based on agriculture and tourism (Puglia produces 50% of all olive oil, 40% of all tomatoes, 40% of all fish and 20% of all wine in Italy). Puglia is one of the poorest regions in Italy (only Calabria, Sicily and Campania have lower GDP's per capita). In particular the olive oil culture is pervasive throughout the region, both as a carrier of culture, a source of income directly from the primary production, but also to a large extent as a core theme for the tourism.</p> <p>Puglia has been divided into four zones: The infected zone (extending North with 20km/year), the containment zone, the buffer zone, and the infection free zone.</p> <div> <p>Italy and the Puglia region</p> <p>The Salento peninsula where Xylella Fastidiosa has spread:</p> <ul style="list-style-type: none"> <li>Buffer Zones</li> <li>Containment Zone</li> <li>Infected Zones</li> </ul> </div> |                                                         |
| Source: Emergenza Xylella Puglia, <a href="http://www.emergenzaxylella.it/portale_gestione_agricoltura">http://www.emergenzaxylella.it/portale_gestione_agricoltura</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                         |

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All feedstock in this project is produced in the *Xylella fastidiosa* Infected Zone from infected trees, and replanting with immune olive trees is mandatory for every plantation in the feedstock base.

## 2.3 Feedstock information

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 1-200,000 tonnes
- c. **List of all the species in primary feedstock, including scientific name:**

Olea europaea

Olive tree

- d. **Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** Yes - Majority  
**Explanation:** All olive trees except of variety Leccino and Favoloso in the Salento peninsula have to be eradicated according to Italian law and local regional decree.
- e. **Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%):** 100.00
- f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 0.00
- g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 0.00
- h. **Indicate how you determine the proportion of saw log:** Specification issued by a body exercising functions of a public nature and issued for use by sawmills in the area in which the wood was grown.
- i. **Roundwood from fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0.00
- j. **Select forest type(s) where the primary feedstock was sourced from:** Other
- k. **Select the main harvesting system(s) used for the sourced primary feedstock:** Clearcutting
- l. **Volume of primary feedstock from primary forest:** 0
- m. **Volume of processing residues feedstock:** 0  
**Physical form of the feedstock:** N/A
- n. **Share of SBP-recognised system claim for processing residues:**
- o. **Volume of post-consumer feedstock:** 0  
**Physical form of the feedstock:** N/A
- p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 100 %
- q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 500000.00 tonnes  
**Explanation:**

### 3 Supply Base Risk Assessments and Risk Management Measures

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

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

#### 3.1 Summary of the Supply Base Evaluation

10 risks were identified as specified risks. The specified risks have been reduced to low risk with the suggested mitigation measures.

#### 3.2 Conflicts with applicable national and sub-national legislation

There are no known conflicts with legislation.

#### 3.3 Risk Management Measures

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

|                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Country:</b> Italy                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Area/sub-scope:</b> Puglia (2.1.1)                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Risk Assessment used:</b>                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                                                                                        | <input type="checkbox"/> SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim<br><input type="checkbox"/> SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim<br><input type="checkbox"/> SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim<br><input type="checkbox"/> SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed<br><input type="checkbox"/> SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim<br><input type="checkbox"/> SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed<br><input type="checkbox"/> SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed<br><input type="checkbox"/> SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed<br><input type="checkbox"/> SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim<br><input type="checkbox"/> SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim<br><input type="checkbox"/> SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim<br><input type="checkbox"/> SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim<br><input type="checkbox"/> SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim<br><input type="checkbox"/> SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim<br><input checked="" type="checkbox"/> Biomass Producer's own risk assessment |
| <b>Indicator with specified risk:</b>                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 2.1.1 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Description of the specific risk:</b>                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

The olive culture has immense importance for the Puglia region and has had so for thousands of years. The most important trees in this culture are the “ulivi monumentali” (monumental olive trees). These HCV olive trees are registered in “l'elenco regionale degli ulivi monumentali” (regional registry of the monumental olives). Terrains containing HCV olive trees (olive monumentali) will not be part of the scope of this project.

Apulia Regional Government has passed laws to deal with this situation. Protection of olive trees which are not monumental is in any case subject to the Regional Law 144 dated 14 February 1951 (Arts. 1 and 2 Legislative Decree 475/27.7.1945) and by regional laws, which forbid cutting down olive trees. In particular, Regional Law provides for the protection and enhancement of the landscape formed by Apulia's monumental olive trees, via a survey of the olive trees, the centuries old olive groves, and monitoring.

The plantations that include ‘Olivi Monumentali’ will not be included in our eradication effort.

The region of Puglia has divided olive trees in the infected zone into three distinct categories:

1. Leccino and FS17 olive trees, these are not to be felled.
2. Monumental olive trees, these can be felled or included in a test recovery program, this is the choice of the landowner.
3. All other olive trees in the infected zone are to be felled.

It is a widely shared opinion of the interviewed stakeholders that there is no reason to challenge this position of the law and as implemented in the region of Puglia.

In other regions of Italy hedges might be of importance to the biodiversity; but due to the very dry climate in Puglia hedges are not existing. There is a long tradition for ‘muri a secco’, stone fences. These are even UNESCO protected, and as such every activity on any terrain shall be conducted in such a way that trees close to these stone fences should be felled in the opposite direction to ensure no damage.

In theory there could be herbs and other vegetation in olive tree terrains.

Furthermore, as found in the “Assessment of the environmental impacts of *Xylella fastidiosa* subsp. *Pauca* in Puglia” report, this is not an issue in the infected zone, as

“Moreover, vegetation cover (e.g., weeds) and soil fauna are negatively affected in areas where olive trees are dying due to lack of shade from the olive canopies that stabilize soil temperature and water availability.”

Finally, it is obligatory maintenance of the terrains to diminish the habitat of the vector of *Xylella*, the Spittlebug. As stated on the region of Puglia's section for *Xylella* prevention:

“Cleaning up the land with plowing and shredding reduces the spittle bug population. The plowing and other working of the land and the shredding of weeds are mandatory throughout the region: they must be carried out in the period from 10 April to 10 May.”

European protected areas are also present in the Salento peninsula, but they are solely in the coastal areas, and as such the conflict areas should be minimal. The management procedure #1 is ensuring that there is no conflict.

#### **Mitigation measure:**

Checks shall be made

- by agronomist (and communicated to the Organization) for:

- No HCV trees
- The terrain is outside any European protected/RAMSAR/IBA/SIC/ZPS (Nature 2000)
- The terrain is not in a hilly terrain, and as such water will not damage the terrain and other checks needed (e.g. hydrologic measures).
- by the Organization for:
  - Risk prevention for damaging dry walls shall be done.

#### Monitoring and outcomes:

The Organization will take out samples of harvested terrains for control of replanting.

Planting is to be done in the wet season, thus if harvesting happens in a period not allowing for immediate replanting, then the control should be postponed to the next wet season.

If any observations or non-conformances from this interview or other observations occur, it shall be stored for review of this risk factor.

**Country:** Italy

**Area/sub-scope:** Puglia (2.1.2)

#### Risk Assessment used:

- ☐ SBP-RRA-AS-VN-FOR\_v1.0 RRA for Vietnam FOR\_Interim
- ☐ SBP-RRA-US-NF-FOR\_v1.0 RRA for US National FOR\_Interim
- ☐ SBP-RRA-US-PF-FOR\_v1.0 RRA for US Private FOR\_Interim
- ☐ SBP-RRA-EU-DK-FOR\_v2.0 RRA for Denmark FOR\_Endorsed
- ☐ SBP-RRA-EU-DK-TOF\_v1.0 RRA for Denmark TOF\_Interim
- ☐ SBP-RRA-EU-EE-FOR\_v2.0 RRA for Estonia FOR\_Endorsed
- ☐ SBP-RRA-EU-LV-FOR\_v2.0 RRA for Latvia FOR\_Endorsed
- ☐ SBP-RRA-EU-LT-FOR\_v2.0 RRA for Lithuania FOR\_Endorsed
- ☐ SBP-RRA-CA-QC-FOR\_v2.0 RRA for Quebec FOR\_Interim
- ☐ SBP-RRA-CA-AB-FOR\_v1.0 RRA for Alberta FOR\_Interim
- ☐ SBP-RRA-CA-BC-FOR\_v2.0 RRA for British Columbia FOR\_Interim
- ☐ SBP-RRA-CA-NB-FOR\_v1.0 RRA for New Brunswick FOR\_Interim
- ☐ SBP-RRA-CA-NS-FOR\_v1.0 RRA for Nova Scotia FOR\_Interim
- ☐ SBP-RRA-EU-NO-FOR\_v1.0 RRA for Norway FOR\_Interim
- ☒ Biomass Producer's own risk assessment

#### Indicator with specified risk:

2.1.2 Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.

#### Description of the specific risk:

According to the experts, Xf is affecting habitats of high conservation values such as the Plain of the Monumental Olive Trees, which is a world heritage site in Puglia, way north of the Organization's operation zone (Salento peninsula). As stated by one of the experts "there are no more alive millenarian/centenarian

monumental olive trees in the Salento area, with a 'global' effect on the entire agroecosystem". One of the oldest olive trees in the Mediterranean basin, Giant of Alliste, has also died due to Xf. Habitats of high conservation values are estimated to diminish by about 42% and 47% in the short- and long term, respectively.

#### Mitigation measure:

Checks shall be made

- by agronomist (and communicated to the Organization) for:
  - No HCV trees in the database
  - The terrain is outside any national/regional/RAMSAR/IBA/SIC/ZPS (Nature 2000)
  - The terrain is not in a hilly terrain, and as such water will not damage the terrain and other checks needed (e.g. hydrologic measures).
- by the Organization for:
  - Confirm by interview with owner that the replanting of the terrain will not be super-intensive.
  - Risk prevention for damaging dry walls shall be done.

#### Monitoring and outcomes:

The Organization will take out samples of harvested terrains for control of replanting.

Planting is to be done in the wet season, thus if harvesting happens in a period not allowing for immediate replanting, then the control should be postponed to the next wet season.

If any observations or non-conformances from this interview or other observations occur, it shall be stored for review of this risk factor.

**Country:** Italy

**Area/sub-scope:** Puglia (2.1.3)

#### Risk Assessment used:

- ☐ SBP-RRA-AS-VN-FOR\_v1.0 RRA for Vietnam FOR\_Interim
- ☐ SBP-RRA-US-NF-FOR\_v1.0 RRA for US National FOR\_Interim
- ☐ SBP-RRA-US-PF-FOR\_v1.0 RRA for US Private FOR\_Interim
- ☐ SBP-RRA-EU-DK-FOR\_v2.0 RRA for Denmark FOR\_Endorsed
- ☐ SBP-RRA-EU-DK-TOF\_v1.0 RRA for Denmark TOF\_Interim
- ☐ SBP-RRA-EU-EE-FOR\_v2.0 RRA for Estonia FOR\_Endorsed
- ☐ SBP-RRA-EU-LV-FOR\_v2.0 RRA for Latvia FOR\_Endorsed
- ☐ SBP-RRA-EU-LT-FOR\_v2.0 RRA for Lithuania FOR\_Endorsed
- ☐ SBP-RRA-CA-QC-FOR\_v2.0 RRA for Quebec FOR\_Interim
- ☐ SBP-RRA-CA-AB-FOR\_v1.0 RRA for Alberta FOR\_Interim
- ☐ SBP-RRA-CA-BC-FOR\_v2.0 RRA for British Columbia FOR\_Interim
- ☐ SBP-RRA-CA-NB-FOR\_v1.0 RRA for New Brunswick FOR\_Interim
- ☐ SBP-RRA-CA-NS-FOR\_v1.0 RRA for Nova Scotia FOR\_Interim
- ☐ SBP-RRA-EU-NO-FOR\_v1.0 RRA for Norway FOR\_Interim

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <input checked="" type="checkbox"/> Biomass Producer's own risk assessment |
| <b>Indicator with specified risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                            |
| 2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                            |
| <b>Description of the specific risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                            |
| <p>The Xylella Fastidiosa outbreak has a detrimental impact on the ecosystems of Puglia. The situation is dire, but to allow for new habitats to be created the vast areas of dried out olive trees have to be eradicated.</p> <p>As replanting with approved olive tree varieties is compulsory then from the died out almost desert areas new ecosystems will appear and leaving behind an enhanced ecosystem.</p> <p>There is very little will or interest in shifting to other trees, e.g., cherry or fig trees, as the whole supply chain of the area is ready for olives, but there is no supply chain for other produces, e.g., no markets for selling engross or no distributors for selling or exporting.</p>                                                                                                           |                                                                            |
| <b>Mitigation measure:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                            |
| <p>Removing the dead wood and replanting with minimum the same number (often more) living trees will over time improve the ecosystems, create new habitats, and allow for the key species to remain in the zone.</p> <p>Checks shall be made</p> <ul style="list-style-type: none"> <li>by agronomist (and communicated to the Organization) for: <ul style="list-style-type: none"> <li>No HCV trees in the database</li> <li>The terrain is outside any national/regional/RAMSAR/IBA/SIC/ZPS (Nature 2000)</li> <li>The terrain is not in a hilly terrain, and as such water will not damage the terrain and other checks needed (e.g. hydrologic measures).</li> </ul> </li> <li>by the Organization for: <ul style="list-style-type: none"> <li>Risk prevention for damaging dry walls shall be done.</li> </ul> </li> </ul> |                                                                            |
| <b>Monitoring and outcomes:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                            |
| <p>The Organization will take out samples of harvested terrains for control of replanting.</p> <p>Planting is to be done in the wet season, thus if harvesting happens in a period not allowing for immediate replanting, then the control should be postponed to the next wet season.</p> <p>If any observations or non-conformances from this interview or other observations occur, it shall be stored for review of this risk factor.</p>                                                                                                                                                                                                                                                                                                                                                                                    |                                                                            |

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|---------------------------------------|
| <b>Country:</b> Italy                 |
| <b>Area/sub-scope:</b> Puglia (2.2.3) |
| <b>Risk Assessment used:</b>          |

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| <b>Indicator with specified risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 2.2.3 Soil quality in the Supply Base shall be maintained or enhanced                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Description of the specific risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>Ancient olive trees, just like other forest formations like Mediterranean shrub vegetation and forests play a strategic role in limiting soil loss and impoverishment of soil organic matter, against the effects of erosion by wind and water. (Calabrese et al 2012)</p> <p>From the above it can be concluded that felling comes with a risk of deteriorating soil quality.</p> <p>"Ecosystems help to filter out and decompose organic wastes and purify source of impurities in water systems. Olive leaves and the by-products from processing are often used as soil amendments in Puglia. The wastewater from processing is also used in olive cultivation. The reduction in olive production following the epidemic diminishes the availability of wastewater and olive by-products, which in turn limits soil remediation and decomposition. Moreover, the loss of green cover reduces the ability of the ecosystem to contain its impurities before entering to water systems. On average, the provisioning of this service is estimated to diminish by about 16% both in the short- and long term."</p> <p>"Soil erosion by wind and water is expected to increase following the death of olive trees and associated vegetation growing under the cover of the trees. As one of the experts stated, in areas where olive trees are dying, other vegetation (e.g., weeds) are also dying due to lack of shade from the olive tree canopies that would normally stabilise air and soil temperature in the olive groves. The loss of soil cover increases the risk of erosion and loss of organic matter, and the problem is aggravated by other stressors (e.g., fire). Erosion regulation is expected to diminish by about 30% and 19% in the short- and long term, respectively. The long-term impact is lower (than the short-term impact) since the experts expect that the landscape will be managed with olive or other tree plants that are less vulnerable to the disease. However, one of the experts noted that replanting of (resistant) olive or other trees is not feasible (at least very difficult) in the hilly areas."</p> <p>The damage has happened to the soil. The whole purpose of the Organization's operation is to prepare for the next steps that will take the damage of erosion from 30% to 19%, i.e., a significant improvement[ABN1] .</p> <p>Replanting can only happen in the wet season due to the very dry and warm weather in summer. And</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

correspondingly the eradication happens mostly in the dry season, as working with the very heavy machinery is difficult and very costly in the wettest periods. Thus, preparation in dry season and replanting in the following wet season has become the norm, and this also ensures that replanting is done in a speedy manner. This is obviously also in the interest of the landowner, as this makes the time to the first harvest as short as possible.

The operations are only in the flat part of the Salento peninsula, the felling of trees in sloping areas would have been expected to be of higher risk of soil erosion.

The whole purpose of our operation is to prepare for the next steps that will take the damage of erosion from 30% to 19%.

Felling of infected trees will stop the soil erosion by replanting of new healthy trees.

#### Mitigation measure:

Part of the compulsory agronomist preparation of the eradication communication to the region is to evaluate the terrain and ensure that the harvest does not lead to irreversible negative impacts to the ecosystem

If the terrain is very hilly, then further analyses need to be conducted to ensure that heavy rain will not damage the terrain (e.g. idrogeologico measures).

This project only includes terrains with permission for eradication without idrogeologico exemptions. These terrains are also obliged to replant. Therefore, the terrain will be replanted with immune olive tree variants, and this ensures that the soil quality is maintained.

#### Monitoring and outcomes:

The Organization will take out samples of harvested terrains for control of the whole process after replanting.

Planting is to be done in the wet season, thus if harvesting happens in a period not allowing for immediate replanting, then the control should be postponed to the next wet season.

If any observations or non-conformances from this interview or other observations occur, it shall be stored for review of this risk factor.

**Country:** Italy

**Area/sub-scope:** Puglia (2.2.4)

#### Risk Assessment used:

- ☐ SBP-RRA-AS-VN-FOR\_v1.0 RRA for Vietnam FOR\_Interim
- ☐ SBP-RRA-US-NF-FOR\_v1.0 RRA for US National FOR\_Interim
- ☐ SBP-RRA-US-PF-FOR\_v1.0 RRA for US Private FOR\_Interim
- ☐ SBP-RRA-EU-DK-FOR\_v2.0 RRA for Denmark FOR\_Endorsed
- ☐ SBP-RRA-EU-DK-TOF\_v1.0 RRA for Denmark TOF\_Interim
- ☐ SBP-RRA-EU-EE-FOR\_v2.0 RRA for Estonia FOR\_Endorsed

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| <b>Indicator with specified risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2.2.4 Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Description of the specific risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>General situation</b><br/>           The application of organic materials to land is a common practice in sustainable agriculture. The current availability of several types of pruners and choppers on the market has boosted the use of these types of residues as plant cover. Applying these types of residues increases the content of organic matter in the soil, which is very positive for the fertility of the soil and agricultural biodiversity. The latter should be taken into account in ecological olive groves where fertilization programs are highly limited. However, no quantitative information is available to provide farmers with a precise assessment. (Repullo et al 2012)<br/>           Further the removal of biomass residue is expected to reduce the shelter possibilities for animals or vegetation.</p> <p><b>Situation with Xf</b><br/>           In the laws and regulations then for the felling operation there is no distinction between the parts of the olive tree, the olive tree has to be uprooted and destroyed in its entirety.<br/>           In the case of plants for which, due to their location, it is not possible to proceed with extrication with the entire root system, the destruction can be limited only to the branches and foliage with prior the granting of the authorization by Apulia Region Phytosanitary Observatory. The root system of these plants must be devitalized with adequate phytosanitary treatment to avoid the emission of shoots.<br/>           Thus wherever possible the tree in its entirety must be uprooted and destroyed.<br/>           The purpose of the operation is to leave the terrain ready for replanting, and as such no hindering residues should be left in the terrain.<br/>           This has a short-term impact on the already drastically impacted ecosystem to remove the dead wood. But this is a prerogative for replanting, and as such there is no short cut to the better ecosystem that will appear after replanting.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Mitigation measure:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| To ensure that no irreversible or not negative impact is done on the ecosystem the project commits to clear the area of dead and dying olive trees and prepare the terrain for a rebirth with new olive trees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Monitoring and outcomes:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| All terrains harvested will be visited and inspected to ensure that the terrain has been left ready for replanting.<br>(Management procedure #17)<br>The Organization will take out samples of harvested terrains for control of replanting.<br>(Management procedure #28)<br>If any observations or non-conformances from these interviews or other observations occur, it shall be                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

stored for review of this risk factor.

Planting is to be done in the wet season, thus if harvesting happens in a period not allowing for immediate replanting, then the control should be postponed to the next wet season.

After careful consideration the organisation has chosen to include trunks in the feedstock. The process of working with roots as a feedstock is longer, but the roots have by law to be unearthed and destroyed, and therefore it has been decided to include these in the feedstock. A stakeholder consultation has been conducted, and it resulted in no negative feedback. It is, however, not all woodchip clients that desire trunks to be included in the material, and there is therefore for each of the organisation's customers a product specification that dictates whether trunks can be included or not.

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| <b>Country:</b> Italy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Area/sub-scope:</b> Puglia (2.2.5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Risk Assessment used:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <b>Indicator with specified risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Description of the specific risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>Surface water and water downstream impact:</b></p> <p>"The experts expect a negative impact on water regulation through the impact of the disease on climate regulation. The loss of olive trees (which absorb a lot of water in the soil), and other vegetation exposes the land to water runoff. Moreover, through the impact on climate regulation, the invasion affects the timing and magnitude of water runoff and aquifer recharge. On average, water regulation is estimated to diminish by about 16% and 20% in the short- and long term, respectively. The long-term impact estimates are more uncertain than the short-term estimates due to the uncertainties regarding the future management of the landscape."</p> <p>The irreversible damage has happened with the following negative impact of the loss of the living olive trees.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

The removal of the dead trees will impact negatively on the runoff as it will be faster, and evaporation will also increase during the eradication period and until the replanting has happened.

The terrain in the infected zone is very flat, of course some water will run off, nevertheless.

There are practically no water streams, rivers or lakes in the area.

#### **Ground water impact:**

Insisting on a replanting with the same intensity would lead to a further impoverishment of the region. Thus, despite the tragedy of the *Xylella Fastidiosa* this is also an opportunity of a transformation from an inefficient operation to a level of production that can make a living for the farmers and their families.

This subject will be followed in the ongoing interviews with stakeholders towards the SBP certification.

#### **Mitigation measure:**

Checks shall be made

- by agronomist (and communicated to the Organization) for:
  - No HCV trees in the database
  - The terrain is outside any national/regional/RAMSAR/IBA/SIC/ZPS (Nature 2000)
  - The terrain is not in a hilly terrain, and as such water will not damage the terrain and other checks needed (e.g. hydrologic measures).
- by the Organization for:
  - Risk prevention for damaging dry walls shall be done.

#### **Monitoring and outcomes:**

The Organization will take out samples of harvested terrains for control of replanting.

Planting is to be done in the wet season, thus if harvesting happens in a period not allowing for immediate replanting, then the control should be postponed to the next wet season.

If any observations or non-conformances from this interview or other observations occur, it shall be stored for review of this risk factor.

**Country:** Italy

**Area/sub-scope:** Puglia (2.2.8)

#### **Risk Assessment used:**

- ☐ SBP-RRA-AS-VN-FOR\_v1.0 RRA for Vietnam FOR\_Interim
- ☐ SBP-RRA-US-NF-FOR\_v1.0 RRA for US National FOR\_Interim
- ☐ SBP-RRA-US-PF-FOR\_v1.0 RRA for US Private FOR\_Interim
- ☐ SBP-RRA-EU-DK-FOR\_v2.0 RRA for Denmark FOR\_Endorsed
- ☐ SBP-RRA-EU-DK-TOF\_v1.0 RRA for Denmark TOF\_Interim

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| <b>Indicator with specified risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2.2.8 Waste shall be disposed of in an environmentally appropriate manner.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Description of the specific risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>The economic as well as the environmental importance of olive oil production in the Mediterranean countries is more than profound, especially for Spain, Italy and Greece as the major producers in EU. Olive oil production industry ranges from family businesses to IPPC installations and the wastes generated by the olive sector are solid waste and wastewater. These wastes while rich in organic compounds and thus useful for potential applications as fertilizers, they contain large amounts of potentially hazardous substances as polyphenols.</p> <p>Waste disposal in tree harvesting practice.<br/>Nothing has been found regarding Italian legislation on waste disposal in tree harvesting practice or agriculture.</p> <p>As the operations in question involve harvesting of biomass and not olive oil production, it is concluded that operations will apply to the above-mentioned general legislation to waste management in Italy.</p> <p>There shall be no waste disposal from the eradication, as all tools used will be removed, and the purpose is to allow for the ecosystems to come back alive. It happens that a net is left in the hectic harvest days, but this is normally collected when discovered, as it has an intrinsic value.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Mitigation measure:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>The Organization will take out harvested terrains for control of the end-state of the terrain and to ensure that:</p> <ul style="list-style-type: none"> <li>• all woody parts from olive trees have been removed</li> <li>• the terrain has been level out</li> <li>• the terrain has been cleared for any waste, and waste has been disposed of properly</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Monitoring and outcomes:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>The Organization will on a continuous basis monitor the waste handling in the terrains during the production cycle. The final inspection will of course still be conducted.</p> <p>Conduct an interview with the landowner to understand the process since harvest (his satisfaction with the quality of the harvest, the time spent on the work, the finish of the terrain, waste has been disposed of properly).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

If any observations or non-conformances from this interview or other observations occur, it shall be stored for review of this risk factor.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Country:</b> Italy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Area/sub-scope:</b> Puglia (4.1.8)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Risk Assessment used:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <b>Indicator with specified risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 4.1.8 Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Description of the specific risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>ILO Conventions</b><br/>         Italy has ratified the convention for human resources development convention.<br/>         ILO convention 142 (Human Resources Development) Convention is ratified and in force.</p> <p><b>Description of situation</b><br/>         No data has been found on general terms for workers or contractors in olive groves in the Puglia area regarding their conditions when it comes to training.</p> <p>In general biomass harvest involves felling, piling, skidding or forwarding, chipping or grinding or bundling and then trucking to the end user. Workers involved in production of feedstock will handle heavy agricultural material as skidders, log loaders, forwarders, front loaders and woodchippers.</p> <p>Workers engaged in biomass harvesting will be doing hard manual work with risk of work-related injuries. Hence, instruction and training on how to avoid work related injuries is needed.</p> <p>For workers handling chainsaws, chainsaw permissions should be requested.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

For workers handling other machinery, it must be ensured that proper instruction and training in the safe use of the machinery is provided.

Truck drivers must have drivers licenses relevant to the vehicles in use.

#### Mitigation measure:

Training is conducted annually and on a pending basis if a need is defined. Training program covers amongst others the following subjects:

1. Supply Base
2. SBP procedures
3. Division of responsibility
4. Chain of custody procedures

#### Monitoring and outcomes:

Any deviations observed in the supply chain that can be traced back to the contractor, shall be mitigated with training without any delay.

**Country:** Italy

**Area/sub-scope:** Puglia (4.1.10)

#### Risk Assessment used:

- ☐ SBP-RRA-AS-VN-FOR\_v1.0 RRA for Vietnam FOR\_Interim
- ☐ SBP-RRA-US-NF-FOR\_v1.0 RRA for US National FOR\_Interim
- ☐ SBP-RRA-US-PF-FOR\_v1.0 RRA for US Private FOR\_Interim
- ☐ SBP-RRA-EU-DK-FOR\_v2.0 RRA for Denmark FOR\_Endorsed
- ☐ SBP-RRA-EU-DK-TOF\_v1.0 RRA for Denmark TOF\_Interim
- ☐ SBP-RRA-EU-EE-FOR\_v2.0 RRA for Estonia FOR\_Endorsed
- ☐ SBP-RRA-EU-LV-FOR\_v2.0 RRA for Latvia FOR\_Endorsed
- ☐ SBP-RRA-EU-LT-FOR\_v2.0 RRA for Lithuania FOR\_Endorsed
- ☐ SBP-RRA-CA-QC-FOR\_v2.0 RRA for Quebec FOR\_Interim
- ☐ SBP-RRA-CA-AB-FOR\_v1.0 RRA for Alberta FOR\_Interim
- ☐ SBP-RRA-CA-BC-FOR\_v2.0 RRA for British Columbia FOR\_Interim
- ☐ SBP-RRA-CA-NB-FOR\_v1.0 RRA for New Brunswick FOR\_Interim
- ☐ SBP-RRA-CA-NS-FOR\_v1.0 RRA for Nova Scotia FOR\_Interim
- ☐ SBP-RRA-EU-NO-FOR\_v1.0 RRA for Norway FOR\_Interim
- ☒ Biomass Producer's own risk assessment

#### Indicator with specified risk:

4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.

#### Description of the specific risk:

##### ILO Conventions

Italy has ratified the conventions for guarding of machinery, working environment and chemicals.

ILO convention 119 (Guarding of Machinery Convention) is ratified and in force.

ILO convention 148 (Working Environment (Air Pollution, Noise and Vibration) Convention) is ratified and in force.

ILO convention 170 (Chemicals Convention) is ratified and in force.

Italy has ratified the convention for health and safety in construction work, but there is no such convention ratified for agricultural work.

### **Description of situation in general in Italy**

Workers involved in production of feedstock will handle heavy agricultural material as skidders, log loaders, forwarders, front loaders and woodchippers.

2014 data on Italian job accidents in agriculture (including forestry) indicate that 12% of fatal accidents and 32% of accidents with serious injuries involve tree harvesting and the use of chainsaws (INAIL 2015 quoted by NEPCon 2018).

ROME (ILO News) — Exploitative working conditions affect many seasonal workers in the agriculture sector in Italy. These include the violation of the condition set forth by labour law, collective agreements and the labour contract, under-payment or withholding of wages, lack of compliance with occupational safety and health provisions and excessive hours of work. In the most severe abuses, workers report to be imposed inadequate and inhumane working and living conditions and to be charged for transport, meals, and accommodation by the intermediary (or gang-master) or the employer.

With the aim to prevent and tackle labour exploitation, on 20 February, the Inter-Institutional Committee on labour exploitation adopted the first-ever National Action Plan to tackle labour exploitation in agriculture

### **Mitigation measure:**

Risk mitigation will be limited to harvest operation of biomass.

- Training of contractor has to be maintained including health and safety
- All employees are informed and trained in the DVR (Documento di Valutazione dei Rischi), and this document is duly updated.
- The DPI (Dispositivo di Protezione Individuale, PPE) checklist is implemented and controlled.

### **Monitoring and outcomes:**

On a regular basis (at least every 3 months) a thorough check on health and safety operations shall be conducted both announced and unannounced. To ensure that safety rules are adhered to. The operators of the contractor(s) are required to sign off.

Any deviations in the check shall be mitigated without any delay.

**Country:** Italy

**Area/sub-scope:** Puglia (4.2.7)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <b>Risk Assessment used:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <b>Indicator with specified risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 4.2.7 Designated cultural heritage sites shall be preserved.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Description of the specific risk:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>There are no UNESCO World heritage sites on the Salento peninsula. The other UNESCO protected sites in Puglia are either roads (Via Appia) or buildings (trulli of Alberobello and Castel del Monte), and as such out of scope of this operation. When the infected zone expands towards the Gargano peninsula care has to be taken to a protected forrest. But this will last at least five years with the present speed of the infection zone growth.</p> <p>The 'Plain of the Monumental Olive Trees' is an area between Ostuni and Fasano with more than 250.000 HCV trees.</p> <p>In other regions of Italy hedges might be of importance to the biodiversity; but due to the very dry climate in Puglia hedges are not existing. There is a long tradition for 'muri a secco', stone fences. These are even UNESCO protected, and as such every activity on any terrain shall be conducted in such a way that trees close to these stone fences should be felled in the opposite direction to ensure no damage.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Mitigation measure:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>Checks shall be made</p> <ol style="list-style-type: none"> <li>by agronomist (and communicated to the Organization) for:             <ul style="list-style-type: none"> <li>No HCV trees in the database</li> <li>The terrain is outside any European protected/RAMSAR/IBA/SIC/ZPS (Nature 2000)</li> <li>The terrain is not in a hilly terrain, and as such water will not damage the terrain and other checks needed (e.g. hydrologic measures).</li> </ul> </li> <li>by the Organization for:             <ul style="list-style-type: none"> <li>Confirm by interview with owner that the replanting of the terrain will not be super-intensive.</li> <li>Risk prevention for damaging dry walls shall be done.</li> </ul> </li> </ol>                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Monitoring and outcomes:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

The Organization will take out samples of harvested terrains for control.

Planting is to be done in the wet season, thus if harvesting happens in a period not allowing for immediate replanting, then the control should be postponed to the next wet season.

If any observations or non-conformances from this interview or other observations occur, it shall be stored for review of this risk factor.

## 4 Stakeholder engagement

### 4.1 General description

**Biomass Producer's stakeholder engagement start date:** 01 Sep 2025

**Biomass Producer's stakeholder engagement end date:** 30 Sep 2025

**Total number of stakeholders contacted:** 15

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

The stakeholders of this engagement were identified in the preparation of the second SBP audit. The project has until now excluded stumps, but has now decided to include stumps. As this is a important change an engagement of the stakeholders was required.

The relevant risks assessment principles will be shared with the relevant stakeholders as a preparation for the audit. To have the best possible dialogue we will share the following with the stakeholders (Standard 2, section 8):

- a. Supply Base Verifiers,
- b. Risk Assessment and risk ratings, and
- c. the Risk Management Plan, Risk Management Measures, and Means of Verification.

The project sees the contact with stakeholders as an opportunity for collaboration, improvement, and risk mitigation to address broader challenges in fulfilling our commitments in each context for the relevant stakeholder.

Comments/feedback from the individual stakeholders will be collected and registered in the form below, and then fed into the SBE. Furthermore, all comments deemed correct and relevant will be included in the SBE, and the stakeholder will be informed in which he/she has been part of this process.

We have contacted a variety of different stakeholders to have a broad representation from the Environmental, Economic and Social chambers.

### 4.2 Response to stakeholder comments

**Stakeholder description:** Local section of global NGO

**Stakeholder comment:** thank you for reaching out and for sharing information about your project. We are aware of the serious situation caused by Xylella fastidiosa in Salento and the impact it has on olive groves, local communities, and cultural heritage. As XXX Italy, we have not been directly involved in work related to Xylella, so we are unfortunately not in a position to provide specific expertise or an official perspective on the recertification of biomass projects or the removal of infected trees and roots. We encourage you to connect with local grassroots movements, small-scale producers, and community-based organizations in Puglia who are directly experiencing the impacts of Xylella. These actors often hold critical, on-the-ground knowledge and can provide insights into both the current situation and locally-driven, sustainable approaches for managing the disease. We wish you success with your project and with promoting sustainable practices in the area.

**Response to the stakeholder:** DSH wood has ongoing discussions with affected landowners and local communities to assist in this serious situation caused by Xylella fastidiosa in Salento and the impact it has on olive groves, local communities, and cultural heritage.



## 5 Report updates and approval

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

**Summary of changes:** N/A

|                                |                  |
|--------------------------------|------------------|
| <b>Name</b>                    | Christian Brylle |
| <b>Title</b>                   | Report author    |
| <b>Date of report approval</b> | 18 Oct 2024      |

|                                |                           |
|--------------------------------|---------------------------|
| <b>Name</b>                    | Erik Kjaer                |
| <b>Title</b>                   | Management representative |
| <b>Date of report approval</b> | 18 Oct 2024               |

## Annex 1: Detailed findings for Supply Base Evaluation indicators

| Italy<br>Puglia           | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1.1                     | Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Supply Base Verifiers     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>The 'olivi monumentali' (HCV) registry. A database of all HCVs olive trees in Puglia</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                     |
| Risk Rating justification | <p>The eradication of xf infected trees is by national law, and regional instruction, to be done for all the infected and not yet infected olive trees in the infected zone, except those of the variant Leccino and FS17, and there can be separate ruling for those olive trees registered in the 'olivi monumentali' (HCV) registry.</p> <p>The woody parts devoid of any vegetation and coming from plants tested positive for the Xylella bacterium can be freely moved outside the delimited area. Also, tree that has not tested positive, but is still from the infected zone can be moved.</p> |
| Risk Rating               | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Italy<br>Puglia           | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1.2                     | Legal ownership of land and resource use rights shall be respected.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Supply Base Verifiers     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li><b>National cadastre</b> is used as a basis for all descriptions of harvest areas</li> <li><b>Contract with landowner</b><br/>The right to harvest is described in a contract between the project's supply chain and the landowner using references to the national cadastre</li> <li><b>Agronomist report</b></li> <li><b>Harvesting communication to the region of Puglia</b><br/>The communication to the region on the harvesting is made with a specification of the included areas with references to the national cadastre</li> </ul> |
| Risk Rating justification | In Italy every terrain is registered in a national cadaster. Here all terrains are uniquely identified by commune (city), foglio (page in the registry of the commune) and particella (terrain).                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    | <p>A contract is drafted between the owner of the terrain now eligible for eradication and the operator allowing the operator to eradicate the olive trees on the owner's behalf.</p> <p>The contract describes the lots (foglio/particella) to be eradicated and if there are any special considerations such as entry/exit, any preparations to be done by the owner before start of work, the expected timing and agreement on the end delivery state of the terrain.</p> |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Italy<br>Puglia                  | Indicator                                                                                                                                            |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.1.3</b>                     | Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements. |
| <b>Supply Base Verifiers</b>     | The following SBV's are used in this risk assessment:<br>- Cites                                                                                     |
| <b>Risk Rating justification</b> | Olive tree (olea europaea) is non-threatened in the CITES database.                                                                                  |
| <b>Risk Rating</b>               | Low Risk                                                                                                                                             |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.1.4</b>                     | Payments for harvest rights and feedstock, including duties, relevant royalties and taxes related to timber harvesting shall be complete and up-to-date.                                                                                                                                                                                                                                                                        |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Contract with landowner<br/>The right to harvest is described in a contract between the project's supply chain and the landowner using references to the national cadastre</li> <li><b>Agronomist report</b></li> </ul>                                                                                                     |
| <b>Risk Rating justification</b> | <p>Royalties or timber harvesting taxes are not implemented in Italy, and thus not relevant.</p> <p>VAT shall be paid. Value Added Tax shall be paid on a quarterly basis; and is administered by the Agenzia delle Entrate through the Italy Tax Agency and applies to persons who conduct an independent business.</p> <p>A contract is drafted between the confirmed legal owner of the terrain/lots and the contractor.</p> |
| <b>Risk Rating</b>               | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Italy<br>Puglia           | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1.5                     | There shall be adequate protection of the Supply Base from unauthorised and illegal activities, such as illegal logging, mining, and encroachment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Supply Base Verifiers     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Contract with landowner<br/>The right to harvest is described in a contract between the project's supply chain and the landowner using references to the national cadastre</li> <li><b>Agronomist report</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                  |
| Risk Rating justification | <p>In general, there is a high level of law enforcement in Italy and there are no indications that the situation is different between TOF areas and forest areas. Illegal logging and encroachment are not issues in Italy. The forest governance portal of the Chatham House, UK – which monitors illegal logging globally – does not record any illegal logging activities in Italy (Chatham House 2023).</p> <p>The types of illegal activities most encountered in Italy on TOF areas are illegal littering, stray dogs, theft of fruit from orchards and, occasionally, poaching. Illegal or unauthorised activities on TOF agricultural land generally have limited economic or biological impact.</p> |
| Risk Rating               | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Italy<br>Puglia       | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| 2.1.1                 | Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Supply Base Verifiers | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>The 'olivi monumentali' (HCV) registry. A database of all HCVs olive trees in Puglia.<br/>- Update of the registry of monumental olive trees as of February 21, 2023:<br/><a href="https://burp.regione.puglia.it/documents/20135/2015701/DEL_1993_2022.pdf/86b946bc-9519-b8a6-7bf0-16626665e5bd?version=1.0&amp;t=1676973722315">https://burp.regione.puglia.it/documents/20135/2015701/DEL_1993_2022.pdf/86b946bc-9519-b8a6-7bf0-16626665e5bd?version=1.0&amp;t=1676973722315</a><br/>- GPS Mapping of monumental olive trees:<br/><a href="http://webapps.sit.puglia.it/freewebapps/ParchiAreeProtette/index.htm">http://webapps.sit.puglia.it/freewebapps/ParchiAreeProtette/index.htm</a></li> <li>Beshir M. Ali, Wopke van der Werf, Alfons Oude Lansink.<br/>Assessment of the environmental impacts of <i>Xylella fastidiosa</i> subsp. <i>pauca</i> in Puglia. Published December 2020.</li> <li>PRA - Assessment of the environmental impacts of <i>Xylella fastidiosa</i> subsp. <i>pauca</i> in Puglia (eppo.int)</li> </ul> |

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|                                  | <ul style="list-style-type: none"> <li>• Information on dry stone walls:<br/><a href="https://ich.unesco.org/en/RL/art-of-dry-stone-walling-knowledge-and-techniques-01393">https://ich.unesco.org/en/RL/art-of-dry-stone-walling-knowledge-and-techniques-01393</a></li> <li>• Information on European protected areas:<br/><a href="https://www.eea.europa.eu/data-and-maps/explore-interactive-maps/european-protected-areas-1">https://www.eea.europa.eu/data-and-maps/explore-interactive-maps/european-protected-areas-1</a></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Risk Rating justification</b> | <p>The olive culture has immense importance for the Puglia region and has had so for thousands of years. The most important trees in this culture are the “ulivi monumentali” (monumental olive trees). These HCV olive trees are registered in “l'elenco regionale degli ulivi monumentali” (regional registry of the monumental olives). Terrains containing HCV olive trees (olive monumentali) will not be part of the scope of this project.</p> <p>Apulia Regional Government has passed laws to deal with this situation. Protection of olive trees which are not monumental is in any case subject to the Regional Law 144 dated 14 February 1951 (Arts. 1 and 2 Legislative Decree 475/27.7.1945) and by regional laws, which forbid cutting down olive trees. In particular, Regional Law provides for the protection and enhancement of the landscape formed by Apulia’s monumental olive trees, via a survey of the olive trees, the centuries old olive groves, and monitoring.</p> <p>The plantations that include ‘Olivi Monumentali’ will not be included in our eradication effort.</p> <p>The region of Puglia has divided olive trees in the infected zone into three distinct categories:</p> <ol style="list-style-type: none"> <li>1. Leccino and FS17 olive trees, these are not to be felled.</li> <li>2. Monumental olive trees, these can be felled or included in a test recovery program, this is the choice of the landowner.</li> <li>3. All other olive trees in the infected zone are to be felled.</li> </ol> <p>It is a widely shared opinion of the interviewed stakeholders that there is no reason to challenge this position of the law and as implemented in the region of Puglia.</p> <p>In other regions of Italy hedges might be of importance to the biodiversity; but due to the very dry climate in Puglia hedges are not existing. There is a long tradition for ‘muri a secco’, stone fences. These are even UNESCO protected, and as such every activity on any terrain shall be conducted in such a way that trees close to these stone fences should be felled in the opposite direction to ensure no damage.</p> <p>In theory there could be herbs and other vegetation in olive tree terrains.</p> <p>Furthermore, as found in the “Assessment of the environmental impacts of Xylella fastidiosa subsp. Pauca in Puglia” report, this is not an issue in the infected zone, as</p> |

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|                    | <p><i>“Moreover, vegetation cover (e.g., weeds) and soil fauna are negatively affected in areas where olive trees are dying due to lack of shade from the olive canopies that stabilize soil temperature and water availability.”</i></p> <p>Finally, it is obligatory maintenance of the terrains to diminish the habitat of the vector of Xylella, the Spittlebug. As stated on the region of Puglia’s section for Xylella prevention:</p> <p>“Cleaning up the land with plowing and shredding reduces the spittle bug population. The plowing and other working of the land and the shredding of weeds are mandatory throughout the region: they must be carried out in the period from 10 April to 10 May.”</p> <p>European protected areas are also present in the Salento peninsula, but they are solely in the coastal areas, and as such the conflict areas should be minimal. The management procedure #1 is ensuring that there is no conflict.</p> |
| <b>Risk Rating</b> | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <b>2.1.2</b>                     | Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• The ‘olivi monumentali’ (HCV) registry. A database of all HCVs olive trees in Puglia.</li> <li>• Decreto del Ministro delle politiche agricole alimentari e forestali 13 febbraio 2018, local implementation of (UE) 2017/2352 from the European Commission.</li> <li>• Beshir M. Ali, Wopke van der Werf, Alfons Oude Lansink. Assessment of the environmental impacts of Xylella fastidiosa subsp. Pauca in Puglia. Published December 2020 (eppo.int) <a href="https://pra.eppo.int/pr/085c883e-1a78-476d-a9a3-a9bd3d97713d">https://pra.eppo.int/pr/085c883e-1a78-476d-a9a3-a9bd3d97713d</a></li> </ul> |
| <b>Risk Rating justification</b> | According to the experts, Xf is affecting habitats of high conservation values such as the Plain of the Monumental Olive Trees, which is a world heritage site in Puglia, way north of the Organization’s operation zone (Salento peninsula). As stated by one of the experts “there are no more alive millenarian/centenarian monumental olive trees in the Salento area, with a ‘global’ effect on the entire agroecosystem”. One of the oldest olive trees in the Mediterranean basin, Giant of Alliste, has also died due to Xf. Habitats of high conservation values are estimated to diminish by about 42% and 47% in the short- and long term, respectively.                                               |
| <b>Risk Rating</b>               | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <b>2.1.3</b>                     | Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• The 'olivi monumentali' (HCV) registry. A database of all HCVs olive trees in Puglia.</li> <li>• Decreto del Ministro delle politiche agricole alimentari e forestali 13 febbraio 2018, local implementation of (UE) 2017/2352 from the European Commission</li> <li>• Beshir M. Ali, Wopke van der Werf, Alfons Oude Lansink. Assessment of the environmental impacts of Xylella fastidiosa subsp. Pauca in Puglia. Published December 2020 (eppo.int) <a href="https://pra.eppo.int/pra/085c883e-1a78-476d-a9a3-a9bd3d97713d">https://pra.eppo.int/pra/085c883e-1a78-476d-a9a3-a9bd3d97713d</a></li> </ul>       |
| <b>Risk Rating justification</b> | <p>The Xylella Fastidiosa outbreak has a detrimental impact on the ecosystems of Puglia. The situation is dire, but to allow for new habitats to be created the vast areas of dried out olive trees have to be eradicated.</p> <p>As replanting with approved olive tree varieties is compulsory then from the died out almost desert areas new ecosystems will appear and leaving behind an enhanced ecosystem.</p> <p>There is very little will or interest in shifting to other trees, e.g., cherry or figue trees, as the whole supply chain of the area is ready for olives, but there is no supply chain for other produces, e.g., no markets for selling engross or no distributors for selling or exporting.</p> |
| <b>Risk Rating</b>               | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                  |
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| <b>2.2.1</b>                     | Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands.                                                                                                                                 |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• The plan for regeneration of the olive plantations in Puglia: <a href="https://www.regione.puglia.it/web/rigenerazione-olivicola">https://www.regione.puglia.it/web/rigenerazione-olivicola</a></li> </ul>                                           |
| <b>Risk Rating justification</b> | <p>Puglia has been the dominant olive oil producing region in Italy for centuries (+50% of the overall production).</p> <p>Since Xylella fastidiosa infection was first discovered in 2013, it is likely that conversion from the other land types (forest, wetland, peatland and highly biodiverse grasslands) to olive groves has been very limited.</p> |

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|                    | Olive trees thrive in temperate warm and dry climate, and Puglia has no wetlands or peatlands. |
| <b>Risk Rating</b> | Low Risk                                                                                       |

| Italy<br>Puglia                  | Indicator                                                                                                      |
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| <b>2.2.2</b>                     | Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced. |
| <b>Supply Base Verifiers</b>     | N/A for TOF                                                                                                    |
| <b>Risk Rating justification</b> | N/A for TOF                                                                                                    |
| <b>Risk Rating</b>               | Low Risk                                                                                                       |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <b>2.2.3</b>                     | Soil quality in the Supply Base shall be maintained or enhanced                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Beshir M. Ali, Wopke van der Werf, Alfons Oude Lansink. Assessment of the environmental impacts of Xylella fastidiosa subsp. Pauca in Puglia. Published December 2020.</li> <li>Calabrese G, Tartaglini N, Ladisa G. 2012. STUDY ON BIODIVERSITY IN CENTURY-OLD OLIVE GROVES. CIHEAM - Mediterranean Agronomic Institute of Bari</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Risk Rating justification</b> | <p>Ancient olive trees, just like other forest formations like Mediterranean shrub vegetation and forests play a strategic role in limiting soil loss and impoverishment of soil organic matter, against the effects of erosion by wind and water. (Calabrese et al 2012)</p> <p>From the above it can be concluded that felling comes with a risk of deteriorating soil quality.</p> <p>“Ecosystems help to filter out and decompose organic wastes and purify source of impurities in water systems. Olive leaves and the by-products from processing are often used as soil amendments in Puglia. The wastewater from processing is also used in olive cultivation. The reduction in olive production following the epidemic diminishes the availability of wastewater and olive by-products, which in turn limits soil remediation and decomposition. Moreover, the loss of green cover reduces the ability of the ecosystem to contain its impurities before entering to water systems. On average, the provisioning of this service is estimated to diminish by about 16% both in the short- and long term.”</p> <p>“Soil erosion by wind and water is expected to increase following the death of olive trees and associated vegetation growing under the cover of the trees.</p> |

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|                    | <p>As one of the experts stated, in areas where olive trees are dying, other vegetation (e.g., weeds) are also dying due to lack of shade from the olive tree canopies that would normally stabilise air and soil temperature in the olive groves. The loss of soil cover increases the risk of erosion and loss of organic matter, and the problem is aggravated by other stressors (e.g., fire). Erosion regulation is expected to diminish by about 30% and 19% in the short- and long term, respectively. The long-term impact is lower (than the short-term impact) since the experts expect that the landscape will be managed with olive or other tree plants that are less vulnerable to the disease. However, one of the experts noted that replanting of (resistant) olive or other trees is not feasible (at least very difficult) in the hilly areas.”</p> <p>The damage has happened to the soil. The whole purpose of the Organization's operation is to prepare for the next steps that will take the damage of erosion from 30% to 19%, i.e., a significant improvement.</p> <p>Replanting can only happen in the wet season due to the very dry and warm weather in summer. And correspondingly the eradication happens mostly in the dry season, as working with the very heavy machinery is difficult and very costly in the wettest periods. Thus, preparation in dry season and replanting in the following wet season has become the norm, and this also ensures that replanting is done in a speedy manner. This is obviously also in the interest of the landowner, as this makes the time to the first harvest as short as possible.</p> <p>The operations are only in the flat part of the Salento peninsula, the felling of trees in sloping areas would have been expected to be of higher risk of soil erosion.</p> <p>The whole purpose of our operation is to prepare for the next steps that will take the damage of erosion from 30% to 19%.</p> <p>Felling of infected trees will stop the soil erosion by replanting of new healthy trees.</p> |
| <b>Risk Rating</b> | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Italy<br>Puglia              | Indicator                                                                                                                                                                                                                                                                                                                     |
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| <b>2.2.4</b>                 | Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.                                                                                                                                                                                     |
| <b>Supply Base Verifiers</b> | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Articles 9 and 16 of the Regulation (EU) 2020/1201</li> <li>Section 4.4.3 of Annex A in Deliberation of the Regional Council No. 343 of 14 March 2022</li> <li>Interministerial Decree n. 2484 of 6 March 2020</li> </ul> |

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|                                  | <ul style="list-style-type: none"> <li>The specification of the region for achieving a prepared terrain for replanting:<br/><a href="https://www.regione.puglia.it/web/rigenerazione-olivicola/misura-2.a">https://www.regione.puglia.it/web/rigenerazione-olivicola/misura-2.a</a></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Risk Rating justification</b> | <p><b>General situation</b></p> <p>The application of organic materials to land is a common practice in sustainable agriculture. The current availability of several types of pruners and choppers on the market has boosted the use of these types of residues as plant cover. Applying these types of residues increases the content of organic matter in the soil, which is very positive for the fertility of the soil and agricultural biodiversity. The latter should be taken into account in ecological olive groves where fertilization programs are highly limited. However, no quantitative information is available to provide farmers with a precise assessment. (Repullo et al 2012)</p> <p>Further the removal of biomass residue is expected to reduce the shelter possibilities for animals or vegetation.</p> <p><b>Situation with Xf</b></p> <p>In the laws and regulations then for the felling operation there is no distinction between the parts of the olive tree, the olive tree has to be uprooted and destroyed in its entirety.</p> <p>In the case of plants for which, due to their location, it is not possible to proceed with extrication with the entire root system, the destruction can be limited only to the branches and foliage with prior the granting of the authorization by Apulia Region Phytosanitary Observatory. The root system of these plants must be devitalized with adequate phytosanitary treatment to avoid the emission of shoots.</p> <p>Thus wherever possible the tree in its entirety must be uprooted and destroyed.</p> <p>The purpose of the operation is to leave the terrain ready for replanting, and as such no hindering residues should be left in the terrain.</p> <p>This has a short-term impact on the already drastically impacted ecosystem to remove the dead wood. But this is a prerogative for replanting, and as such there is no short cut to the better ecosystem that will appear after replanting.</p> |
| <b>Risk Rating</b>               | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                  |
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| <b>2.2.5</b>                     | Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.                                                                                                                                                                  |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Assessment of the environmental impacts of <i>Xylella fastidiosa</i> subsp. <i>pauca</i> in Puglia (Beshir M. Ali, Wopke van der Werf, Alfons Oude Lansink)</li> </ul> |
| <b>Risk Rating justification</b> | Surface water and water downstream impact:                                                                                                                                                                                                                                 |

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|                    | <p>“The experts expect a negative impact on water regulation through the impact of the disease on climate regulation. The loss of olive trees (which absorb a lot of water in the soil), and other vegetation exposes the land to water runoff. Moreover, through the impact on climate regulation, the invasion affects the timing and magnitude of water runoff and aquifer recharge. On average, water regulation is estimated to diminish by about 16% and 20% in the short- and long term, respectively. The long-term impact estimates are more uncertain than the short-term estimates due to the uncertainties regarding the future management of the landscape.”</p> <p>The irreversible damage has happened with the following negative impact of the loss of the living olive trees.</p> <p>The removal of the dead trees will impact negatively on the runoff as it will be faster, and evaporation will also increase during the eradication period and until the replanting has happened.</p> <p>The terrain in the infected zone is very flat, of course some water will run off, nevertheless.</p> <p>There are practically no water streams, rivers or lakes in the area.</p> <p>Ground water impact:<br/>Insisting on a replanting with the same intensity would lead to a further impoverishment of the region. Thus, despite the tragedy of the Xylella Fastidiosa this is also an opportunity of a transformation from an inefficient operation to a level of production that can make a living for the farmers and their families.</p> <p>This subject will be followed in the ongoing interviews with stakeholders towards the SBP certification.</p> |
| <b>Risk Rating</b> | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Italy<br>Puglia              | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <b>2.2.6</b>                 | Air emissions shall comply with national legislation or in the absence of national legislation with industry best practice.                                                                                                                                                                                                                                                                                                                                                          |
| <b>Supply Base Verifiers</b> | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Assessment of the environmental impacts of Xylella fastidiosa subsp. pauca in Puglia (Beshir M. Ali, Wopke van der Werf, Alfons Oude Lansink)</li> <li>Changes in Olive Urban Forests Infected by Xylella fastidiosa: Impact on Microclimate and Social Health (Dr. Teodoro Semeraro, Dr. Aurelia Scarano, Angelo Leggieri, Dr. Antonio Calisi, Dr. Monica De Caroli)</li> </ul> |

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| <b>Risk Rating justification</b> | <p>The loss of olive trees and their canopies reduces the capacity of the ecosystem to purify the air “by producing new oxygen and by trapping small particles (dust) from the atmosphere”. Moreover, the rise in temperature and evaporation, and reduction in precipitation (as stated above) reduce air quality. The impact of the chemical control measures on air quality was rated as negligible by the experts. The long-term average estimates are more than twice the group. Air quality regulation is expected to diminish by about 15% and 16% in the short- and long term, respectively. Semeraro et al. (2019) estimated a strong negative impact on air quality (gas) regulation following the loss of urban olive forests in Puglia due to the Xf invasion.</p> <p>As the adverse effect on air quality is caused by the death of the trees, it is expected that removal of the already dead trees will not further deteriorate air quality. The future air quality depends on the replanting of the areas.</p> |
| <b>Risk Rating</b>               | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <b>2.2.7</b>                     | Pesticides shall only be used as part of an Integrated Pest Management (IPM) plan in compliance with national legislation, chemical safety data sheets and industry best practice. Banned pesticides shall not be used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• Assessment of the environmental impacts of <i>Xylella fastidiosa</i> subsp. <i>pauca</i> in Puglia (Beshir M. Ali, Wopke van der Werf, Alfons Oude Lansink)</li> <li>• WHO recommended classification of pesticides by hazard and guidelines to classification, 2019 edition. Geneva: World Health Organization; 2020. License: CC BY-NC-SA 3.0 IGO</li> <li>• Interviews with olive oil farmers</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Risk Rating justification</b> | <p>Dimethoate-based pesticides have been used against the olive fruit fly, but a European ban on dimethoate was implemented in October 2020. WHO classify dimethoate as moderately hazardous. Farmers argued that no effective alternatives existed. “Copper, kaolin and fungicides are deterrents to the olive fruit fly but, as we have already observed, they do not solve the problem in case of massive infections by the fly”, Baldini said.</p> <p>The ban was based on conclusions by The European Food Safety Authority, whose experts had determined the possible risks for the environment and human health as a result of the genotoxic potential of the pesticide and carcinogenic characteristics of one of its main ingredients, omethoate.</p> <p>Some small and organic farmers in the region have effectively implemented monitoring systems and organic strategies into their groves already.</p> <p>The situation is a disease spread by a vector. No chemicals are used, but the</p> |

|                    |                                                                                                                                                                    |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    | whole purpose of sanitizing the terrains is to get the xf spread under control by removing the infected trees and replanting. No chemical is effective against xf. |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                           |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2.2.8</b>                     | Waste shall be disposed of in an environmentally appropriate manner.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Assessment of the environmental impacts of <i>Xylella fastidiosa</i> subsp. <i>pauca</i> in Puglia (Beshir M. Ali, Wopke van der Werf, Alfons Oude Lansink)</li> <li>Inglezakis VJ, Moreno JL, Doula M. 2012. Olive oil waste management EU legislation: Current situation and policy recommendations. IJCEES Vol 3(2):65-77<br/> <a href="https://uk.practicallaw.thomsonreuters.com/1-503-2608?transitionType=Default&amp;contextData=(sc.Default)&amp;firstPage=true#co_pageContainer">https://uk.practicallaw.thomsonreuters.com/1-503-2608?transitionType=Default&amp;contextData=(sc.Default)&amp;firstPage=true#co_pageContainer</a></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Risk Rating justification</b> | <p>The economic as well as the environmental importance of olive oil production in the Mediterranean countries is more than profound, especially for Spain, Italy and Greece as the major producers in EU. Olive oil production industry ranges from family businesses to IPPC installations and the wastes generated by the olive sector are solid waste and wastewater. These wastes while rich in organic compounds and thus useful for potential applications as fertilizers, they contain large amounts of potentially hazardous substances as polyphenols.</p> <p>Waste disposal in tree harvesting practice.<br/>Nothing has been found regarding Italian legislation on waste disposal in tree harvesting practice or agriculture.</p> <p>As the operations in question involve harvesting of biomass and not olive oil production, it is concluded that operations will apply to the above-mentioned general legislation to waste management in Italy.</p> <p>There should be no waste disposal from the eradication, as all tools used will be removed, and the purpose is to allow for the ecosystems to come back alive. It happens that a net is left in the hectic harvest days, but this is normally collected when discovered, as it has an intrinsic value.</p> |
| <b>Risk Rating</b>               | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Italy<br>Puglia | Indicator |
|-----------------|-----------|
|-----------------|-----------|

|                                  |                                                                                                                                       |
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| <b>2.2.9</b>                     | Harvesting levels shall be justified as to how they can be sustained with reference to inventory and growth data for the Supply Base. |
| <b>Supply Base Verifiers</b>     | N/A for TOF                                                                                                                           |
| <b>Risk Rating justification</b> | N/A for TOF                                                                                                                           |
| <b>Risk Rating</b>               | Low Risk                                                                                                                              |

| Italy<br>Puglia                  | Indicator                            |
|----------------------------------|--------------------------------------|
| <b>2.2.10</b>                    | Harvested areas shall be regenerated |
| <b>Supply Base Verifiers</b>     | N/A for TOF                          |
| <b>Risk Rating justification</b> | N/A for TOF                          |
| <b>Risk Rating</b>               | Low Risk                             |

| Italy<br>Puglia                  | Indicator                                                                            |
|----------------------------------|--------------------------------------------------------------------------------------|
| <b>2.2.11</b>                    | The impacts of natural processes such as fires, pests and diseases shall be managed. |
| <b>Supply Base Verifiers</b>     | N/A for TOF                                                                          |
| <b>Risk Rating justification</b> | N/A for TOF                                                                          |
| <b>Risk Rating</b>               | Low Risk                                                                             |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2.2.12</b>                    | Genetically modified trees shall not be used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• Cartagena protocol in Biosafety in 2004 with law no 27 of January 2004.</li> <li>• Inglezakis VJ, Moreno JL, Doula M. 2012. Olive oil waste management EU legislation: Current situation and policy recommendations. IJCEES Vol 3(2):65-77<br/> <a href="https://uk.practicallaw.thomsonreuters.com/1-503-2608?transitionType=Default&amp;contextData=(sc.Default)&amp;firstPage=true#co_pageContainer">https://uk.practicallaw.thomsonreuters.com/1-503-2608?transitionType=Default&amp;contextData=(sc.Default)&amp;firstPage=true#co_pageContainer</a></li> </ul> |
| <b>Risk Rating justification</b> | <p>Italy ratified the Cartagena protocol in Biosafety in 2004 with law no 27 of January 2004. Further Italy is subject to EU legislation on GM crops and is applied in a much more restrictive way due to public opinion being largely against GM crops.</p> <p>Does not exist in Puglia.</p>                                                                                                                                                                                                                                                                                                                                                                              |

|                    |          |
|--------------------|----------|
| <b>Risk Rating</b> | Low Risk |
|--------------------|----------|

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.1.1</b>                     | LULUCF emissions shall be accounted for through one of the following routes: Route A Feedstock may be sourced from a country of origin which is party to the Paris Agreement, and which has submitted a Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC) covering carbon emissions and removals from agriculture, forestry and land use which ensure the changes in carbon stock associated with biomass harvest are counted towards the country's commitment to reduce or limit greenhouse gas emissions, or Route B Feedstock may be sourced from a country of origin which is party to the Paris Agreement and has national or sub-national laws in place (developed in accordance with Article 5 of the Paris Agreement and applicable in the area of harvest), to conserve and enhance carbon stocks and sinks, and provided there is evidence that reported LULUCF-sector emissions do not exceed removals, or Route C Feedstock may be sourced from a Supply Base where an assessment demonstrates that both the carbon stock is stable, and the forests' capacity to act as a carbon sink is stable or increasing over the long term. |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• World olive oil production could absorb the CO2 emissions of a city the size of Hong Kong (IOC NEWS. 20180419)</li> <li>• The Agricultural System Ancient Olive Trees Territorio Sénia (FAO, 2018)<br/><a href="http://www.fao.org/giahs/giahsaroundtheworld/designated-sites/europe-and-central-asia/agricultural-system-ancient-olive-trees-territorio-senia/en/">http://www.fao.org/giahs/giahsaroundtheworld/designated-sites/europe-and-central-asia/agricultural-system-ancient-olive-trees-territorio-senia/en/</a></li> <li>• Assessment of carbon sequestration and the carbon footprint in olive groves in Southern Spain (Lopez-Bellido PJ, Lopez-Bellido L 2016)xx</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Risk Rating justification</b> | <p>As the biomass is sourced from Italy Route A is chosen.</p> <p>Carbon sequestration in olive groves<br/>Provisional scientific studies conducted by the International Olive Council (IOC) indicate that a hectare of olive trees cancels out one person's annual carbon footprint; the production of a liter of olive oil captures 10.64 kg of atmospheric carbon dioxide (CO2); and the world production of olive oil could absorb the emissions of a city of more than 7 million inhabitants such as Hong Kong. This provisional data was provided by the IOC at the SOL&amp;Agrifood fair held in Verona. "These data are as yet unconfirmed and are being verified by the IOC," the IOC Executive Director, Abdellatif Ghedira, reiterated in a declaration. "We can nevertheless confirm that olive oil production is beneficial for the environment since these data indicate that the olive tree is the tree with the greatest capacity for absorption of atmospheric CO2".</p>                                                                                                                                                                                                             |

#### Carbon sinks according to FAO

Woody crops, as well as the other ones, are able to capture atmospheric carbon dioxide and store it in the form of organic matter. In contrast to annual crops, woody crops have a greater capacity of storage, so carbon dioxide is longer bound in biomass. Therefore, they are sinks of this greenhouse gas. Moreover, traditional olive groves and, specially, the ancient olive trees can store a great quantity of carbon dioxide in their biomass, which play a leading role in the fight against climate change.

Tree plantations are characterized by their ability to remove CO<sub>2</sub> from the atmosphere and store it in a stable manner in tree structures (trunks, roots and branches) as well as in the soil.

The net carbon (C) balance in the olive tree plantations was clearly positive, especially in intensive and super-intensive plantations (2.05 and 4.10 Mg C ha<sup>-1</sup> yr<sup>-1</sup> on average for all plantations studied).

Improved practices for soil management, such as the use of conservation tillage and cover crops and reincorporating pruning residues into the soil, can notably increase the net C balance in tree plantations and may even double it in amount.

#### The current situation

The SBP carbon approach is currently only being applied to biomass sourced from forests. The Forest Carbon Sub-group is yet to consider in detail how to approach carbon associated with non-forest biomass.

Biomass sourced from dead olive groves must be considered “non-forest biomass” and as such the SBP carbon approach does not apply.

The law states that all parts of the olive trees shall be removed. The operator must adhere to the law.

The law dictates that plowing or harrowing must be executed between April 10 and May 10, and there are serious fines to be had if not adhered to.

#### Time frame

As the current situation with the Xf related death of olive trees is regarded as a time specific situation, harvesting of the dead wood biomass is considered a once only operation. Therefore, the time frame of the risk assessment covers the period of removing the dead wood and replanting the affected areas.

#### Contractual agreement with landowners

The contract between the landowner and the operator is always solely covering olive trees, and as such any other trees (e.g., fruit trees) will be preserved (as also seen in the field trip of the pre-assessment).

#### Conclusion

Considering the inevitable loss of carbon due to the Xf pest related death of

|                    |                                                                                                                                                              |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    | olive trees, the progressive carbon loss can be offset by replacing the dead trees by replanting. On this basis the indicator is as assessed to be low risk. |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                     |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.2.1</b>                     | All feedstock sourcing shall be consistent with either of these two options: Option A. Feedstock may be sourced from Supply Bases where an assessment of the Supply Base shows that the forest carbon stocks are stable or increasing, or Option B. Feedstock may be sourced, if the assessment shows that the forest carbon stocks are declining in the Supply Base, provided that the decline is due to natural processes (fire, pests etc.), and sourcing of feedstock has the aim to recover feedstock that would otherwise be lost or to assist regeneration. |
| <b>Supply Base Verifiers</b>     | N/A for TOF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Risk Rating justification</b> | N/A for TOF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Risk Rating</b>               | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                    |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.2.2</b>                     | Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate. |
| <b>Supply Base Verifiers</b>     | N/A for TOF                                                                                                                                                                                                  |
| <b>Risk Rating justification</b> | N/A for TOF                                                                                                                                                                                                  |
| <b>Risk Rating</b>               | Low Risk                                                                                                                                                                                                     |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                 |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.2.3</b>                     | feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV). |
| <b>Supply Base Verifiers</b>     | N/A for TOF                                                                                                                                                                                                               |
| <b>Risk Rating justification</b> | N/A for TOF                                                                                                                                                                                                               |
| <b>Risk Rating</b>               | Low Risk                                                                                                                                                                                                                  |

| Italy<br>Puglia              | Indicator                                                                                                                                                                                                        |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.3.1</b>                 | Feedstock sourcing shall be in compliance with the principles of cascading use, high quality stem wood shall not be used as feedstock if it is in substantial demand for long-lived products in the Supply Base. |
| <b>Supply Base Verifiers</b> | N/A for TOF                                                                                                                                                                                                      |

|                                  |             |
|----------------------------------|-------------|
| <b>Risk Rating justification</b> | N/A for TOF |
| <b>Risk Rating</b>               | Low Risk    |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4.1.1</b>                     | Freedom of association and the right to collective bargaining shall be respected in the workplace.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• ILO conventions 87, 98 and 135</li> <li>• Curcuruto, F. (2006). Collective agreements ITALY, XIVth Meeting of European Labour Court Judges 4 September 2006 Cour de cassation Paris</li> <li>• <a href="https://www.worker-participation.eu/National-Industrial-Relations/Countries/Italy/Trade-Unions">https://www.worker-participation.eu/National-Industrial-Relations/Countries/Italy/Trade-Unions</a></li> <li>• <a href="https://www.worker-participation.eu/National-Industrial-Relations/Countries/Italy/Collective-Bargaining">https://www.worker-participation.eu/National-Industrial-Relations/Countries/Italy/Collective-Bargaining</a></li> <li>• <a href="https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/certification-of-labour-compliance-italy">https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/certification-of-labour-compliance-italy</a></li> <li>• Costanzo, A. (2010). Il binomio immigrazione- agricoltura. Rapporto di una ricerca qualitativa in Toscana. Laboratorio di studi rurali Sismondi, Pisa.</li> <li>• ISTAT (2011). La misura dell'occupazione non regolare nelle stime di contabilità nazionale. Istituto Nazionale di Statistica, Rome.</li> <li>• The Italian constitution of Dec 27th, 1947, art. 18 and 39</li> </ul> |
| <b>Risk Rating justification</b> | <p>ILO conventions<br/>Italy has ratified the eight fundamental ILO principles and rights at work. Freedom of Association and right to collective bargaining is covered by: ILO convention 98 (Right to collective bargaining) has been ratified and is in force.<br/>ILO convention 87 (Freedom of Association) has been ratified and is in force. ILO convention 135 (Workers Representatives Convention) has been ratified and is in force.</p> <p>The Italian constitution of Dec 27th, 1947, art. 18 states the right to freedom of association.</p> <p>Italian Constitution has a rule (art 39) whereby unions have the right of concluding collective agreements (c.a.) which are binding for all the workers. But this rule was claimed not to have been implemented in 2006 (Curcuruto 2006).</p> <p>General description of situation<br/>The right to organize and join labour unions is constitutionally guaranteed. Workers have the right to bargain collectively.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

Italian trade unions (workers unions) have more than 12 million members, perhaps as many as 15 million. However, a high proportion of them are retired (more than one in four – 43% – across the three largest confederations). Taking this into account, the ICTWSS database of union membership put union density at 34.4% in 2018 in Italy.

The main unions being:

- CGIL with app. 5.5 mill. members
- CISL with app. 4.1 mill. Members
- UIL with app. 2.0 mill. members

There are no official statistics on the coverage of collective bargaining, but an ETUI study on collective bargaining in Italy, published in 2019, stated that estimates of coverage had been “consistently stable at around 80 per cent of all employees”. However, this figure is for overall coverage at industry level. Bargaining at company level, to improve or complement the industry-level agreements – as foreseen by the July 1993 agreement – is much less common. Recent estimates suggest that only 30-40 percent of the workforce in the private sector is covered by company level agreements. Between 2008 and 2019, the number of private sector industry-level agreements registered with the official National Council for Economics and Labour (CNEL) increased from 308 to 824.

However, although these rules have been agreed by the main union confederations and the main employers’ associations, they have not yet come into effect as the mechanism for collecting the information necessary to work out unions’ representativeness’ scores was only agreed with INPS in September 2019. They will also not have universal effect in the private sector as employers and unions which do not belong to the signatory organizations’, are not obliged to follow the rules.

Foreign workers provide 22,4 % of workdays in the farm sector in Puglia. In Italy the growing presence of migrant workers in agriculture is now a recognized phenomenon, and it is speculated that migrant workers could be victims of forms of exploitation of labor (Costanzo 2010).

More than 38,000 foreign workers provide 22.4% of the total workdays needed in the farm sector in Apulia. The workers particularly with olive oil production, grapes for wine and tomatoes (Ansa 2021).

Considering foreign workers “migrant workers” in the agricultural sector, a help desk was set up in Sicily in 2017. It was signed by union officials from Fai-Cisl, Flai-Cgil and Uila-Uil, together with representatives of the local employment office and the municipality of Campobello di Mazara. The help desk will help to implement new legislation (Law 199) and a 2016 Protocol entitled ‘Care-Legality-Leave the Ghetto’, combatting the exploitation of

workers by caporali (gang masters). The help desk will supply advice on issues such as documentation, transport services and hospitality for migrant workers.

Definition of migrant workers: A migrant worker is a person who either migrates within their home country or outside it to pursue work. Migrant workers usually do not have the intention to stay permanently in the country or region in which they work. Migrant workers who work outside their home country are also called foreign workers.

Description of situation at olive plantations

Plantation maintenance/upkeep:

- Plantations <10 hectare: This work is generally carried out by the family owning the plantation, without non-family employees.
- Plantations >10 hectare: The plantations have small crews of employees taking care of maintenance. These crews are covered by contractual and legal working conditions and rights. => LOW RISK

Olive harvest:

- Conducted by machinery with trained personnel covered by contractual and legal working conditions. => LOW RISK

Replanting:

- Conducted by specialized long-term crew. For a farm to receive a grant they must have a DURC document which is clean and where it is stated that the farm owner has never employed illegal or controversial workers => LOW RISK

-

Biomass production:

- Felling: workers are using heavy machinery and are covered by contractual and legal working conditions => LOW RISK

Chipping

- Felling: workers are using heavy machinery and are covered by contractual and legal working conditions => LOW RISK

Transportation

- Workers are covered by contractual and legal working conditions => LOW RISK

Port operations incl. loading to vessel

- Workers are covered by contractual and legal working conditions => LOW RISK

Conclusion

Based on recent estimates suggesting that 30-40 percent of the workforce in the private sector is covered by company level agreements and that between 2008 and 2019, the number of private sector industry-level agreements registered with the official National Council for Economics and Labour (CNEL) increased from 308 to 824, it is assessed, that there is general low risk for violating freedom of association and recognition of rights to collective bargaining. The rights of foreign workers (migrants) are a focus point for the

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|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    | trade unions and therefore the risk, for legally registered migrants (even though employers are not obliged to follow the rules) is considered low.<br><br>The indicators are all low risk. |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                    |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4.1.2</b>                     | Forced or compulsory labour shall not be used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• ILO convention 29</li> <li>• Italian law on worker rights</li> <li>• <a href="https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102709">https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102709</a></li> <li>• <a href="https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm">https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm</a></li> <li>• Contract with operators</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Risk Rating justification</b> | <p>ILO conventions<br/>Italy has ratified the ILO Forced Labour convention.<br/>ILO convention 29 (Forced Labour convention) has been ratified and is in force.</p> <p>According to Italian law forced labour is criminalized under articles 600, 601, and 603 and slavery is criminalized in article 600 and 602.</p> <p>According to the ILO<br/>(<a href="https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C029:NO">https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P12100_ILO_CODE:C029:NO</a>) forced or compulsory labour is:<br/>"All work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily."</p> <p>The agriculture sector, particularly in the less developed southern part of Italy where most of the country's farms are situated, has been known for years to rely on cheap and exploited migrant labour ( <a href="https://www.globalsslaveryindex.org/2018/findings/country-studies/italy/">https://www.globalsslaveryindex.org/2018/findings/country-studies/italy/</a>). These workers are reportedly subject to some forms of exploitation and abuse, such as not receiving adequate remuneration, being charged to use transport provided by employers, having their passports and identity documents confiscated by middlemen or labour brokers called caporali, being forced to live in the place where they work, which exacerbates isolation and segregation that in turn increases vulnerability to human rights abuses, and being subject to inadequate or even inhumane living conditions ( <a href="https://www.globalsslaveryindex.org/2018/findings/country-studies/italy/">www.globalsslaveryindex.org/2018/findings/country-studies/italy/</a> ). The media</p> |

has described workers being paid only 2 Euros an hour (US\$2.32)<sup>10</sup> with no legal employment contract or health insurance, <https://www.globallslaveryindex.org/2018/findings/country-studies/italy>.

ROME (ILO News) — Exploitative working conditions affect many seasonal workers in the agriculture sector in Italy. These include the violation of the condition set forth by labour law, collective agreements and the labour contract, under-payment or withholding of wages, lack of compliance with occupational safety and health provisions and excessive hours of work. In the most severe abuses, workers report to be imposed inadequate and inhumane working and living conditions and to be charged for transport, meals and accommodation by the intermediary (or gang-master) or the employer. With the aim to prevent and tackle labour exploitation, on 20 February, the Inter-Institutional Committee on labour exploitation adopted the first-ever [https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-rome/documents/genericdocument/wcms\\_766362.pdf](https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-rome/documents/genericdocument/wcms_766362.pdf).

According to the above-mentioned definition of forced labour it must be concluded that cases of forced labour have been proved in the Southern region of Italy, although we have not been able to find any documentation outside of Sicily. And we are not aware of any such cases in Puglia. On the positive side the National Action Plan to tackle labour exploitation in agriculture has been recently adopted to prevent further violations on forced labour.

Technically it makes no sense to use migrant workers in areas where machinery can do the work. Since the area of Puglia (upper Salento) is flat, there are no issues of operating machinery, and this might be the explanation for why we cannot find any such cases in our zone.

#### Description of situation at olive plantations

##### Plantation maintenance/upkeep:

- Plantations <10 hectare: This work is generally carried out by the family owning the plantation, without non-family employees.
- Plantations >10 hectare: The plantations have small crews of employees taking care of maintenance. These crews are covered by contractual and legal working conditions and rights. => LOW RISK

##### Olive harvest:

- Conducted by machinery with trained personnel covered by contractual and legal working conditions. => LOW RISK

##### Replanting:

- Replanting of olive plantations is conducted by long term crew. => LOW RISK

##### Biomass production:

- Felling: workers are using heavy machinery and are covered by contractual and legal working conditions => LOW RISK

##### Chipping

- Felling: workers are using heavy machinery and are covered by contractual

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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|                    | <p>and legal working conditions =&gt; LOW RISK</p> <p>Transportation</p> <p>- Workers are covered by contractual and legal working conditions =&gt; LOW RISK</p> <p>Port operations incl. loading to vessel</p> <p>- Workers are covered by contractual and legal working conditions =&gt; LOW RISK</p> <p>Replanting of olive plantations is conducted by long term crew. =&gt; LOW RISK</p> <p>Conclusion</p> <p>Based on the foregoing the risk related to this indicator is low.</p> |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <b>4.1.3</b>                     | Child labour shall not be used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• ILO convention 138, and 182 as ratified in Italy</li> <li>• Contract with operators ensures that Italian law shall be adhered to, including no use of child labour</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Risk Rating justification</b> | <p>ILO conventions</p> <p>Italy has ratified the ILO Minimum Age Convention.</p> <p>ILO convention 138 (Minimum Age Convention) has been ratified and is in force. It specifies the minimum working age to 15 years.</p> <p>ILO convention 182 (Worst forms of Child Labour Convention) has been ratified and is in force.</p> <p>The minimum working age in Italian statutory law is fifteen.</p> <p>Definition of a child by SBP:</p> <p>Any person less than 15 years of age, unless the minimum age or mandatory schooling is stipulated as being higher by local law, in which case the stipulated higher age applies in that locality.</p> <p>In Italy the mandatory age for schooling is from 6 to 16 years.</p> <p>Description of situation</p> <p>Under-age labour in Italy has been estimated to involve around 370,000 children, a level much higher than estimates provided by other studies - for example, the International Labour Organization (ILO) has estimated child labour at 12,000 units (in 1996), the United Nations Children's Fund (UNICEF) at 200,000-300,000 (in 1993), and Censis (an Italian research</p> |

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|                    | <p>institute) at 230,000. This marked variation confirms the difficulty of measuring the extent of child labour. From a geographical point of view, the Cgil study finds that child labour is more widespread in southern Italy (60% of the total) although it is relatively common in the north of the country as well (40%). It is further mentioned that one of the sectors in which child labour is most widespread is commerce, especially food retailing, followed by crafts and the construction industry. It is noteworthy that agriculture and forestry is not mentioned.</p> <p>According to Caiffa 2020 child labour in Italy has its origins in the family. According to the latest national survey almost 3 children out of 4 work for the family, helping parents in their small and very small family-run businesses (41%) or supporting them in household chores (30%). The remaining 29% are equally distributed among children working for relatives and friends or for other people. Males represent the majority.</p> <p>It is assessed that children as part of tradition, work together with their family, on a free to participate basis not compromising their school attendance, under instruction and for easier tasks, that the labor involving children in the olive groves is not considered child labor in the sense of ILO definition.</p> <p><b>Conclusion</b><br/>Based on the above the risk of child labour has been assessed as low risk.</p> |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <b>4.1.4</b>                     | Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• ILO convention 100, and 111 as ratified in Italy</li> <li>• National Labour Law Profile: Italy<br/><a href="https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm">https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm</a></li> <li>• Contract with operators ensures that Italian law shall be adhered to, including no discrimination in hiring, remuneration etc</li> </ul> |
| <b>Risk Rating justification</b> | <p>ILO conventions</p> <p>Italy has ratified the convention against discrimination:</p> <p>ILO convention 111 (Discrimination (employment and occupation) Convention) is ratified and in force.</p> <p>ILO convention 100 (Equal Remuneration Convention) is ratified and in force.</p> <p>The Workers' Statute (Act 300, 20 May 1970) invalidates any agreement or action of the employer which constitutes discrimination for reasons of sex,</p>                                                                                                                                                    |

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|                    | <p>race, language, religion, political opinion (Sect. 15). Equality between men and women at work is specifically recognized and guaranteed by Act 903, 9 December 1977. Act 125, 10 April 1991 provides for affirmative action to encourage true equal opportunity for women in access to employment and during employment. Act 604, 15 July 1966 prohibits dismissal for discriminatory reasons such as political and union views, religion, participation in union activities (Sect. 4). Act 108, 11 May 1990 invalidates dismissal for discriminatory reasons, such as race, sex, language, political and union views, religion, and requires always the reinstatement of the dismissed worker.</p> <p>Other illegal kinds of discrimination are AIDS discrimination (Act 135, 5 June 1990), age discrimination (Sect. 37 of Constitution) and handicap discrimination (Act 104, 5 February 1992).</p> <p>Description of situation</p> <p>In general, Italian workers are firmly protected against discrimination by the laws stated above.</p> <p>With 63.5 out of 100 points, Italy ranks 14th in the EU on the Gender Equality Index. Its score is 4.4 points lower than the EU's score.</p> <p>Since 2010, Italy's score has increased by 10.2 points (+ 0.5 points since 2017). Italy is progressing towards gender equality at a faster pace than other EU Member States. Its ranking has improved by eight places since 2010.</p> |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <b>4.1.5</b>                     | Wages paid to workers shall meet or exceed the legal minimum wage or where there is no statutory minimum wage industry norms shall be met or exceeded                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Italian Constitution section 36 ensuring the right to a livable wage</li> <li>Contract with operators ensures that Italian law shall be adhered to, including a competitive salary and other compensation</li> <li>Costanzo, A. (2010). Il binomio immigrazione- agricoltura. Rapporto di una ricerca qualitativa in Toscana. Laboratorio di studi rurali Sismondi, Pisa.</li> <li>National Labour Law Profile: Italy:<br/><a href="https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm">https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm</a></li> <li>Italy adopts the first National Plan to tackle labour exploitation in agriculture<br/><a href="https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm">https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm</a></li> </ul> |
| <b>Risk Rating justification</b> | <p>Legal framework</p> <p>Sect. 36 of the Italian Constitution includes the right of the worker to a livable wage for himself and his/her family.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

Under Italian law there is not a statutory minimum wage. Yet most workers are actually covered by a minimum wage agreement, established through collective bargaining (see no. 13). Upon request, judges can also fix a minimum wage, though it would be binding only on the parties to an individual contract of employment.

#### Description of situation

In Italy the growing presence of migrant workers in agriculture is now a recognized phenomenon, and it is speculated that migrant workers could be victims of forms of exploitation of labor (Costanzo 2010).

There have been newspaper articles documenting migrant workers receiving as little as 2 euros per hour for working in olive groves in Sicily in 2016 (Tondo 2016)

ROME (ILO News) — Exploitative working conditions affect many seasonal workers in the agriculture sector in Italy. These include the violation of the condition set forth by labour law, collective agreements and the labour contract, under-payment or withholding of wages, lack of compliance with occupational safety and health provisions and excessive hours of work. In the most severe abuses, workers report to be imposed inadequate and inhumane working and living conditions and to be charged for transport, meals and accommodation by the intermediary (or gang-master) or the employer.

With the aim to prevent and tackle labour exploitation, on 20 February, the Inter-Institutional Committee on labour exploitation adopted the first-ever National Action Plan to tackle labour exploitation in agriculture

#### Description of situation at olive plantations

##### Plantation maintenance/upkeep:

- Plantations <10 hectare: This work is generally carried out by the family owning the plantation, without non-family employees.
- Plantations >10 hectare: The plantations have small crews of employees taking care of maintenance. These crews are covered by contractual and legal working conditions and rights. => LOW RISK

##### Olive harvest:

- Conducted by machinery with trained personnel covered by contractual and legal working conditions. => LOW RISK

##### Replanting:

- Conducted by specialized long-term crew. => LOW RISK

##### Biomass production:

- Felling: workers are using heavy machinery and are covered by contractual and legal working conditions => LOW RISK

##### Chipping

- Felling: workers are using heavy machinery and are covered by contractual and legal working conditions => LOW RISK

##### Transportation

- Workers are covered by contractual and legal working conditions => LOW

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|                    | <p><b>RISK</b></p> <p>Port operations incl. loading to vessel<br/>- Workers are covered by contractual and legal working conditions =&gt; LOW RISK</p> <p>Finding on the operator's side:<br/>We have vetted the payment levels of the operator's employees and found them beyond decent. This also shows in the very low attrition that the operator has. Also, contrary to many operators in Puglia then the operator is only operating with taxed payments. There is no black economy with the operator as all customers are large biomass companies and as such they only pay by invoice and via bank transactions.</p> <p>Conclusion<br/>The indicators are all low risk, and as such the risk is considered Low Risk.</p> |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <b>4.1.6</b>                     | Working hours shall comply with legal requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Italian Constitution section 36 ensuring maximum working hours to be fixed by law</li> <li>Act no.692/March 1923 (weekly hours set to 6x8hours = 48 hours)</li> <li>Act n. 196/1997, Sect. 13 (weekly hours set to 5x8hours = 40 hours)</li> <li>National Labour Law Profile: Italy:<br/><a href="https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm">https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm</a></li> <li>Italy adopts the first National Plan to tackle labour exploitation in agriculture<br/><a href="https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm">https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm</a></li> <li>Contract with operators ensures that Italian law shall be adhered to, including working hours</li> </ul> |
| <b>Risk Rating justification</b> | <p><b>Legal framework</b><br/>Article 36 of the Italian Constitution establishes that maximum working time must be fixed by law. The old Act no.692 of March 1923, still partly in force, provided that the hours worked by employees ought not to exceed 8 hours a day or 48 hours a week (later changed to 40 by Act n. 196/1997, Sect. 13).</p> <p><b>Description of situation in general</b><br/><br/>ROME (ILO News) — Exploitative working conditions affect many seasonal workers in the agriculture sector in Italy. These include the violation of the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

condition set forth by labour law, collective agreements and the labour contract, under-payment or withholding of wages, lack of compliance with occupational safety and health provisions and excessive hours of work. In the most severe abuses, workers report to be imposed inadequate and inhumane working and living conditions and to be charged for transport, meals and accommodation by the intermediary (or gang-master) or the employer.

With the aim to prevent and tackle labour exploitation, on 20 February, the Inter-Institutional Committee on labour exploitation adopted the first-ever National Action Plan to tackle labour exploitation in agriculture

### **Description of situation at olive plantations**

#### Plantation maintenance/upkeep:

- Plantations <2 hectares: This work is generally carried out by the family owning the plantation, without non-family employees.
- Plantations >2 hectares: The plantations have small crews of employees taking care of maintenance. These crews are covered by contractual and legal working conditions and rights. => LOW RISK

#### Olive harvest:

- Conducted by machinery with trained personnel covered by contractual and legal working conditions. => LOW RISK

#### Replanting:

Conducted by specialized long-term crew. => LOW RISK

#### Biomass production:

- Felling: workers are using heavy machinery; hence they are trained personnel and covered by contractual and legal working conditions => LOW RISK

#### Chipping

- Felling: workers are using heavy machinery; hence they are trained personnel and covered by contractual and legal working conditions => LOW RISK

#### Transportation

- Workers are covered by contractual and legal working conditions => LOW RISK

#### Port operations incl. loading to vessel

- Workers are covered by contractual and legal working conditions => LOW RISK

### **Conclusion**

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|                    | On grounds of the above the risk it therefore assessed to be LOW RISK. |
| <b>Risk Rating</b> | Low Risk                                                               |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <b>4.1.7</b>                     | Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Italian Constitution section 38 ensuring the right to a certain level of social insurance</li> <li>ILO conventions 12, 38, 118, and 40 as ratified in Italy</li> <li>National Labour Law Profile: Italy:<br/><a href="https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm">https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm</a></li> <li>Italy adopts the first National Plan to tackle labour exploitation in agriculture<br/><a href="https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm">https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm</a></li> <li>Contract with operators ensures that Italian law shall be adhered to, including access to health care, sickness/retirement/invalidity/death benefits</li> </ul>                                                                                                                                                                                         |
| <b>Risk Rating justification</b> | <p><b>ILO conventions and legal framework</b></p> <p>Italy has ratified the convention for workmen's compensation, invalidity insurance, social security and survivors' insurance.</p> <p>ILO convention 12 (Workmen's Compensation (Agriculture) Convention) is ratified and in force.</p> <p>ILO convention 38 (Invalidity Insurance (Agriculture) Convention) is ratified and in force.</p> <p>ILO convention 118 (Equality of Treatment (Social Security) Convention) is ratified and in force.</p> <p>ILO convention 40 (Survivors' Insurance (Agriculture) Convention) is ratified and in force.</p> <p>The Italian Constitution contains some declarations of principles: Sect. 38 - on the social insurance for old age, illness, invalidity, industrial diseases and accidents, etc.</p> <p><b>Description of situation</b></p> <p>ROME (ILO News) — Exploitative working conditions affect many seasonal workers in the agriculture sector in Italy. These include the violation of the condition set forth by labour law, collective agreements and the labour contract, under-payment or withholding of wages, lack of compliance with occupational safety and health provisions and excessive hours of work. In the</p> |

most severe abuses, workers report to be imposed inadequate and inhumane working and living conditions and to be charged for transport, meals and accommodation by the intermediary (or gang-master) or the employer.

With the aim to prevent and tackle labour exploitation, on 20 February, the Inter-Institutional Committee on labour exploitation adopted the first-ever National Action Plan to tackle labour exploitation in agriculture

An article in the Guardian in 2016 described migrant workers employed on a day-to-day basis in olive harvest in Sicily having no access to health care.

The olive oil factory in case was a makeshift camp for illegal immigrants and it was owned by the mafia. The operators/migrants were not, as stated in the article, used for olive harvesting but for all kinds of agricultural work. The olive oil industry (apart from the smaller family operations) has very little manual work, and as such no use for cheap labor. On the contrary, the need is for specialized workers that can operate machinery.

Any olive oil operations on the site mentioned in the Guardian article has since been closed due to its relation to the mafia. It is still a make-shift camp for illegal immigrants that is closed on a regular basis. This is a real problem in Sicily because of the large influx of migrants, problem is not present in Puglia.

This project will not, if it were to meet any such, work with any contingencies of any operation that has any affiliation with the mafia. We are not aware of any such cases in Puglia.

According to the above it must be concluded that cases of missing rights have been proved in the Southern region of Italy, although we have not been able to find any documentation outside of Sicily. On the positive side the National Action Plan to tackle labour exploitation in agriculture has been recently adopted to prevent further violations on forced labour.

Technically it makes little economic sense to use migrant workers in areas where machinery can do the work. Since the area of Puglia (upper Salento) is flat, there are no issues of operating machinery, and this might be the explanation for why we cannot find any such cases in our zone.

### **Description of situation at olive plantations**

#### Plantation maintenance/upkeep:

- Plantations <2 hectares: This work is generally carried out by the family owning the plantation, without non-family employees.
- Plantations >2 hectares: The plantations have small crews of employees taking care of maintenance. These crews are covered by contractual and legal working conditions and rights. => LOW RISK

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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|  | <p><u>Olive harvest:</u></p> <ul style="list-style-type: none"> <li>Conducted by machinery with trained personnel covered by contractual and legal working conditions. =&gt; LOW RISK</li> </ul> <p><u>Replanting:</u></p> <ul style="list-style-type: none"> <li>Conducted by specialized long-term crew. =&gt; LOW RISK</li> </ul> <p><u>Biomass production:</u></p> <ul style="list-style-type: none"> <li>Felling: workers are using heavy machinery; hence they are trained personnel and covered by contractual and legal working conditions =&gt; LOW RISK</li> </ul> <p><u>Chipping</u></p> <ul style="list-style-type: none"> <li>Felling: workers are using heavy machinery; hence they are trained personnel and covered by contractual and legal working conditions =&gt; LOW RISK</li> </ul> <p><u>Transportation:</u></p> <ul style="list-style-type: none"> <li>Workers are covered by contractual and legal working conditions =&gt; LOW RISK</li> </ul> <p><u>Port operations incl. loading to vessel:</u></p> <ul style="list-style-type: none"> <li>Workers are covered by contractual and legal working conditions =&gt; LOW RISK</li> </ul> <p>Replanting of olive plantations is conducted by long term crew. =&gt; LOW RISK</p> <p><u>Conclusion</u><br/>There is a solid legal framework to secure social rights among workers in Italy. The primary risk of violation of these rights are found among migrant workers. To the best of our knowledge and all our research we have not seen any immigrants employed in the highly specialized work of olive oil production and the feedstock generation.</p> |
|  | <p><b>Risk Rating</b></p> <p>Low Risk</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Italy<br>Puglia       | Indicator                                                                                                                                                             |
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| 4.1.8                 | Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities. |
| Supply Base Verifiers | The following SBV's are used in this risk assessment:                                                                                                                 |

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|                                  | <ul style="list-style-type: none"> <li>Italian Constitution section 36 ensuring the right to a livable wage</li> <li>ILO conventions 142 as ratified in Italy</li> <li>ILO Ratifications for Italy:<br/><a href="http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:102709">www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:102709</a></li> <li>Contract with operators ensures that Italian law shall be adhered to, including applicable training</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Risk Rating justification</b> | <p><b>ILO conventions</b><br/>Italy has ratified the convention for human resources development convention.<br/>ILO convention 142 (Human Resources Development) Convention is ratified and in force.</p> <p><b>Description of situation</b><br/>No data has been found on general terms for workers or contractors in olive groves in the Puglia area regarding their conditions when it comes to training.</p> <p>In general biomass harvest involves felling, piling, skidding or forwarding, chipping or grinding or bundling and then trucking to the end user. Workers involved in production of feedstock will handle heavy agricultural material as skidders, log loaders, forwarders, front loaders and woodchippers.</p> <p>Workers engaged in biomass harvesting will be doing hard manual work with risk of work-related injuries. Hence, instruction and training on how to avoid work related injuries is needed.</p> <p>For workers handling chainsaws, chainsaw permissions should be requested.</p> <p>For workers handling other machinery, it must be ensured that proper instruction and training in the safe use of the machinery is provided.</p> <p>Truck drivers must have driver's licenses relevant to the vehicles in use.</p> |
| <b>Risk Rating</b>               | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Italy<br>Puglia              | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <b>4.1.9</b>                 | Mechanisms shall be in place for resolving grievances and disputes in the workplace.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Supply Base Verifiers</b> | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Act 80 of 1998</li> <li>National Labour Law Profile: Italy:<br/><a href="https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm">https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158903/lang--en/index.htm</a></li> <li>Italy adopts the first National Plan to tackle labour exploitation in</li> </ul> |

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|                                  | <p>agriculture<br/> <a href="https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm">https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Risk Rating justification</b> | <p>Legal framework regarding settlement of labour disputes In Italy Labour Courts are integrated into the organization of the general civil court system but follow special procedure.</p> <p>A special jurisdiction on labour issues was established in 1893, with an Act which introduced a “consiglio di probiviri”, composed of representatives of employers and employees, for lower cases.</p> <p>The fascist reform of 1926 transferred all cases to professional judges, and so it remained till now. Act 533 of 1973 provides special procedural rules, which reduces the amount of written material at a labour trial, increase participation by the litigants, and speed up the trial. There is one professional judge in the first instance, whatever the monetary amount of the case, whose decisions can be appealed before a Tribunal of three judges, with a possible further appeal before the five-member Supreme Court Labour Chamber.</p> <p>Act 80 of 1998 transferred to the labour courts the competence to hear cases brought by civil servants, which were previously dealt by the administrative courts. The same law now requires the plaintiff, before he/she sues in the Court, to try to resolve his/her dispute through conciliation before a public labour office, or through a union dispute resolution procedure.</p> <p>There is not a procedure for collective disputes, except for the possibility, introduced by the Act 80 of 1998, of asking the Supreme Court for the immediate interpretation of a collective agreement signed by the union of civil servants.</p> <p><b>Description of situation</b></p> <p>ROME (ILO News) — Exploitative working conditions affect many seasonal workers in the agriculture sector in Italy. These include the violation of the condition set forth by labour law, collective agreements and the labour contract, under-payment or withholding of wages, lack of compliance with occupational safety and health provisions and excessive hours of work. In the most severe abuses, workers report to be imposed inadequate and inhumane working and living conditions and to be charged for transport, meals and accommodation by the intermediary (or gang-master) or the employer.</p> <p>With the aim to prevent and tackle labour exploitation, on 20 February, the Inter-Institutional Committee on labour exploitation adopted the first-ever National Action Plan to tackle labour exploitation in agriculture</p> <p>As there are cases of migrant workers being hired on a day-to-day basis in Olive groves in Italy, being underpaid and working without contracts, it is questionable whether labour disputes are attended to in these situations.</p> <p><b>Description of situation at olive plantations</b></p> <p>Plantation maintenance/upkeep:</p> |

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|                    | <ul style="list-style-type: none"> <li>Plantations &lt;2 hectares: This work is generally carried out by the family owning the plantation, without non-family employees.</li> <li>Plantations &gt;2 hectares: The plantations have small crews of employees taking care of maintenance. These crews are covered by contractual and legal working conditions and rights. =&gt; LOW RISK</li> </ul> <p><u>Olive harvest:</u></p> <ul style="list-style-type: none"> <li>Conducted by machinery with trained personnel covered by contractual and legal working conditions. =&gt; LOW RISK</li> </ul> <p><u>Replanting:</u></p> <ul style="list-style-type: none"> <li>Conducted by specialized long-term crew. =&gt; LOW RISK</li> </ul> <p><u>Biomass production:</u></p> <ul style="list-style-type: none"> <li>Felling: workers are using heavy machinery; hence they are trained personnel and covered by contractual and legal working conditions =&gt; LOW RISK</li> </ul> <p><u>Chipping</u></p> <ul style="list-style-type: none"> <li>Felling: workers are using heavy machinery; hence they are trained personnel and covered by contractual and legal working conditions =&gt; LOW RISK</li> </ul> <p><u>Transportation</u></p> <ul style="list-style-type: none"> <li>Workers are covered by contractual and legal working conditions =&gt; LOW RISK</li> </ul> <p><u>Port operations incl. loading to vessel</u></p> <ul style="list-style-type: none"> <li>Workers are covered by contractual and legal working conditions =&gt; LOW RISK</li> </ul> |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Italy<br>Puglia              | Indicator                                                                                                                                                                                                                                                                                                                                                    |
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| <b>4.1.10</b>                | Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.                                                                                                                                                                                                          |
| <b>Supply Base Verifiers</b> | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>ILO conventions 119, 148, and 170 as ratified in Italy</li> <li>ILO Ratifications for Italy:<br/><a href="http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P112">www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P112</a></li> </ul> |

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|                                  | <p>00_COUNTRY_ID:102709</p> <ul style="list-style-type: none"> <li>Italy adopts the first National Plan to tackle labour exploitation in agriculture<br/><a href="https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm">https://www.ilo.org/rome/risorse-informative/comunicati-stampa/WCMS_738466/lang--en/index.htm</a></li> <li>Timber Legality Risk Assessment, Italy (Nepcon/Preferred by Nature, 2017)</li> <li>Contract with operators ensures that Italian law shall be adhered to, including health and safety regulations</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Risk Rating justification</b> | <p><b>ILO Conventions</b></p> <p>Italy has ratified the conventions for guarding of machinery, working environment and chemicals.</p> <p>ILO convention 119 (Guarding of Machinery Convention) is ratified and in force.</p> <p>ILO convention 148 (Working Environment (Air Pollution, Noise and Vibration) Convention) is ratified and in force.</p> <p>ILO convention 170 (Chemicals Convention) is ratified and in force.</p> <p>Italy has ratified the convention for health and safety in construction work, but there is no such convention ratified for agricultural work.</p> <p><b>Description of situation in general in Italy</b></p> <p>Workers involved in production of feedstock will handle heavy agricultural material as skidders, log loaders, forwarders, front loaders and woodchippers.</p> <p>2014 data on Italian job accidents in agriculture (including forestry) indicate that 12% of fatal accidents and 32% of accidents with serious injuries involve tree harvesting and the use of chainsaws (INAIL 2015 quoted by NEPCon 2018).</p> <p>ROME (ILO News) — Exploitative working conditions affect many seasonal workers in the agriculture sector in Italy. These include the violation of the condition set forth by labour law, collective agreements and the labour contract, under-payment or withholding of wages, lack of compliance with occupational safety and health provisions and excessive hours of work. In the most severe abuses, workers report to be imposed inadequate and inhumane working and living conditions and to be charged for transport, meals, and accommodation by the intermediary (or gang-master) or the employer.</p> <p>With the aim to prevent and tackle labour exploitation, on 20 February, the Inter-Institutional Committee on labour exploitation adopted the first-ever National Action Plan to tackle labour exploitation in agriculture</p> |
| <b>Risk Rating</b>               | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| <b>4.2.1</b>                     | Negative social and community impacts shall be identified and avoided.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Italy rebuked in Olive fiasco (Abbot A 2017, Nature 546, 193-194)</li> <li>Grant Provides Funds for Researching Xylella Fastidiosa Biopesticides (Ephantus Mukund 20210730, Olive Oil Times)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Risk Rating justification</b> | <p>Social and community impacts considered are:</p> <ul style="list-style-type: none"> <li>Tenure and use rights</li> <li>Loss of access to areas with cultural, social and economic values</li> <li>Loss of adequate access for recreation, provision of employment and economic opportunities</li> <li>Health and welfare impact on communities</li> <li>Any potential impacts on food, water and other basic needs</li> <li>Impacts on gender, racial or religious equality.</li> </ul> <p>The impacts are considered, given the situation, that Xylella fastidiosa is a natural disaster and to limit the spread of Xylella fastidiosa in the infected zone in Puglia it has been recommended to fell infected olive trees as well as healthy trees around infected ones (Abbot 2017).</p> <p>According to the above there is no doubt that felling of infected dead olive trees is necessary in the Puglia region.</p> <p>The local community has no benefit from keeping infected dead olive trees but is expected to profit from the income and employment generated by feedstock sourcing as well as from the eradication of Xylella fastidiosa.</p> <p>Further, in the respect of assisting farmers and communities, they can apply for EU funded subsidies for replanting, if they have more than 30% damage to their olive fields.</p> <p><b>Conclusion</b></p> <p>Considering Xylella fastidiosa a natural disaster which the farmers and communities have little or no chance to combat, then the subsidized replanting is considered a low risk in terms of social and community impact, because farmers benefit from selling the wood chips and because the subsidy schemes for replanting can be considered a positive assistance for a natural disaster.</p> |
| <b>Risk Rating</b>               | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Italy<br>Puglia              | Indicator                                                                                                                                                                        |
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| <b>4.2.2</b>                 | Feedstock sourcing shall positively contribute to the local economy, including employment.                                                                                       |
| <b>Supply Base Verifiers</b> | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Interviews with local communities and other stakeholders indicate</li> </ul> |

|                                  |                                                                                                                                    |
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|                                  | that feedstock harvesting can positively contribute to the local economy, including employment                                     |
| <b>Risk Rating justification</b> | As mentioned in 4.2.1. there is no alternative income to be generated from infected or dead olive trees beside biomass production. |
| <b>Risk Rating</b>               | Low Risk                                                                                                                           |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <b>4.2.3</b>                     | Food, water supply or high conservation values (HCV) that are essential for the fulfilment of basic needs of communities shall be maintained or enhanced                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Interviews with local communities and other stakeholders indicate that subsistence needs are not endangered</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Risk Rating justification</b> | <p>For generations the harvesting of olives in the Puglia region has been important for the local economy. However, the felling of dead or infected olive trees does not have an impact on the accessibility of food, water or subsistence means of communities as the community traditionally gain no yield from these trees.</p> <p>Impacts on cultural values HCV 6 is covered by indicator 2.1.1</p> <p>Biomass will be harvested for as long as there are infected or dead olive trees to harvest, thereafter the land will be used for purposes regaining the possibility of yielding means to the local communities.</p> <p>Ground water levels are deep in the Salento peninsula, at least 150 meters, but often a lot deeper under many layers of rocks. It takes days to drill for a new well and makes an immense noise and leaves very clear signs (crushed sediments) for years.</p> |
| <b>Risk Rating</b>               | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Italy<br>Puglia              | Indicator                                                                                                                                                                                                                                                                                                                          |
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| <b>4.2.4</b>                 | Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.                                                                                                                                                     |
| <b>Supply Base Verifiers</b> | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>Assessment of customary rights, based on Preferred by Natures, timber legality risk assessment.<br/><a href="https://preferredbynature.org/sourcinghub/timber">https://preferredbynature.org/sourcinghub/timber</a></li> </ul> |

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|                                  | <ul style="list-style-type: none"> <li>• Timber Legality Risk Assessment, Italy (Nepcon/Preferred by Nature, 2017)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Risk Rating justification</b> | <p>The assessment of customary and traditional tenure and use rights are considered identical for forested areas as well as for olive farm groves, therefore the assessment is based on Preferred by Natures timber legality risk assessment for Italy.</p> <p>Overview of legal requirements<br/>Formal recognition of customary rights that are in place within regional boundaries shall comply with the national legislation, with further detail being provided at a regional level.</p> <p>Customary rights ("usi civici") allow local communities the right to benefit from some natural goods and services provided by common pool resources such as wood, mushrooms, herbs, livestock grazing, hunting, fishing, etc., although additional local legislation may apply.</p> <p>In addition, Common Properties are associations provided with legal statutes and lists of people lawfully claiming property rights to the resource. They represent a common property regime, and rights-holders can be considered as resource owners (but some limitations to the ownership apply, as it can neither be sold, divided nor gained through adverse possession; and the land use designation cannot be changed).</p> <p>Description of risk<br/>Customary rights might be impeded because of one of the followings, or similar causes (Bassi, 2012):</p> <ul style="list-style-type: none"> <li>• Lack of responsive institutions; disempowerment</li> <li>• eligible communities and common lands not properly defined or identified.</li> </ul> <p>In general terms, however, it might be stated that (Bassi, 2012; Cacciavillani, 2012; Cacciavillani et al., 2012):</p> <ul style="list-style-type: none"> <li>• National legislation definitely overcame unfavorable conditions set up during the historical fascist period. Thus nowadays, Common Properties are fully acknowledged and empowered by law with forest management and rural development responsibilities.</li> <li>• Customary rights rely on well-established and long-lasting legislation.</li> <li>• Particularly in southern Italy, customary rights often occur on "undemarcated lands", where responsible communities and common lands have not yet been defined, demarcated or mapped. Nonetheless, disempowerment of customary rights not only emanates from non-responsive institutions, but from lack of awareness by relevant communities, with customary rights slowly and "naturally" disappearing because of deep socio-economic changes that have occurred over the past decades.</li> <li>• In the case of Common Properties, both the strong, local traditions and the establishment of relevant research centers (e.g., Consulta Nazionale della Proprietà Collettiva, a self-established national advisory board organized</li> </ul> |

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|                    | <p>along regional lines) provide a fertile ground for the implementation and enforcement of initiatives aimed at sustaining and enhancing the national common domains.</p> <ul style="list-style-type: none"> <li>• Difficulties in “positioning” Common Properties within the Italian legal framework, traditionally based on the dichotomy between public and private property, have been definitely and positively overcome despite their common nature, the legal status of “private personality” was assigned to such institutions, along with relevant public functions, e.g., environmental protection and socio-economic development in mountain areas.</li> <li>• The national legal system provides a solid framework to potentially solve disputes on tenure arrangements, either in the case of customary rights or Common Properties.</li> </ul> <p><b>Risk Conclusion</b><br/>This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p> |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <b>4.2.5</b>                     | Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• Italian Civil Code (Royal Decree no. 262 of 16 March 1942)</li> <li>• Royal Decree no. 2153 of 8 December 1938 on Catasto Terreni</li> <li>• Presidential Decree no. 1142 of 1 December 1949 on Catasto Edilizio Urbano</li> <li>• Law Decree no. 557 of 30 December 1993 on Catasto Fabbricati</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Risk Rating justification</b> | <p><b>Legal framework consists of:</b><br/>The Constitution of the Italian Republic which states the right to private property, subject to possible limitations for public interest.</p> <p>The Italian Civil Code (Royal Decree no. 262 of 16 March 1942), which regulates freehold title (proprietà), other rights on real estate assets, how to acquire and transfer real estate properties and related rights, co-ownership on real estate properties, registration of title in the land registry and also contains the general regulations for sale and purchase contracts, leases and mortgages.</p> <p>The various legislation regulating the cadastral system, which maps all Italian real estate properties (Royal Decree no. 2153 of 8 December 1938 on Catasto Terreni, Presidential Decree no. 1142 of 1 December 1949 on Catasto Edilizio Urbano, and Law Decree no. 557 of 30 December 1993 on</p> |

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|                    | <p>Catasto Fabbricati.</p> <p>Common law has no impact on Italian real estate. Judicial precedents have to be taken into consideration for the interpretation of the law, but these are not binding.</p> <p><b>Description of situation</b><br/>As legal framework of landownership is firm and as common law has no impact on Italian real estate, the assessed risk of disputes regarding land use rights is considered as low risk.</p> <p>Stakeholders, being local and regional NGO's, farmers cooperatives, researchers and regional governmental agronomists have been consulted in order to clarify to what extend there are grievances and disputes concerning the clearing of the land with dead olive trees. These stakeholders all state that there is no choice but to remove the dead olive trees and replant the areas.</p> <p>HCV trees are registered, and there are resources to be had for the owners of the HCV trees.</p> |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <b>4.2.6</b>                     | Where Indigenous Peoples' rights are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned activities, a consultation and, if required, accommodation process shall be put in place.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• Minority Rights Group International, World Directory of Minorities and Indigenous Peoples - Italy : Albanians, August 2018, available at: <a href="https://www.refworld.org/docid/49749d04c.html">https://www.refworld.org/docid/49749d04c.html</a></li> <li>• <a href="https://en.wikipedia.org/wiki/Albanians_in_Italy">https://en.wikipedia.org/wiki/Albanians_in_Italy</a> or for more detail: <a href="https://it.wikipedia.org/wiki/Albanesi_in_Italia">https://it.wikipedia.org/wiki/Albanesi_in_Italia</a> (Italian version)</li> <li>• Preferred by Natures, timber legality risk assessment for Italy <a href="https://preferredbynature.org/sourcinghub/timber">https://preferredbynature.org/sourcinghub/timber</a></li> </ul> |
| <b>Risk Rating justification</b> | <p>As described in 4.2.5 the legal framework of landownership in Italy is firm and properties are mapped.</p> <p>By the Minority Rights Group International, Albanians are mentioned as indigenous people residing in Puglia.</p> <p>The Albanian minorities are of two origins, back in 14-16 century AD many fled the Ottoman empire and settled in Italy. And then again in 1990 with the collapse of communism there was a certain influx of Albanians arriving by</p>                                                                                                                                                                                                                                                                                                                                                                       |

boat. The people with Albanian roots are settled in a variety of areas, but in the Infected Zone there is only one village with some Albanian presence (San Marzano). It is widely considered a well-integrated minority without any specific issues and with same rights as any Italian citizen, and in particular no issues vis-à-vis olive oil production or olive grove owners have been recorded. No record of relevant disputes between Albanians and olive farm owners have been found.



Stakeholders, being local and regional NGO's, farmers cooperatives, researchers and regional governmental agronomists have been consulted in order to clarify to what extent there are grievances and disputes concerning the clearing of the land with dead olive trees. These stakeholders all state that there is no choice but to remove the dead olive trees and replant the areas. See indicator 4.2.5.

There is no legislation covering free prior and informed consent in Italy.

There are no Indigenous people acknowledged in Italy - specific speaking minorities are fully recognized (by national and regional legislation).

By the Minority Rights Group International, Albanians are mentioned as indigenous people residing in Puglia. No records of relevant disputes

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|                    | <p>between Albanians and olive farm owners have been found.</p> <p>Instances where FPIC procedures must be in place, include major operations with likely impacts on communities such as:</p> <ul style="list-style-type: none"> <li>• Management and harvesting operations.</li> <li>• Conservation activities requiring restricted access.</li> <li>• Infrastructure development</li> </ul> <p>Considering that biomass only will be harvested from dead olive trees, and that Albanian minorities do not have any record of issues in this area (ref. indicator 4.2.5 and 4.2.6), no further FPIC procedures will be initiated.</p> <p>Also, only olive tree lots approved for eradication will be included. Thus, a consent is always present when the work initiates.</p> |
| <b>Risk Rating</b> | Low Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Italy<br>Puglia                  | Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <b>4.2.7</b>                     | Designated cultural heritage sites shall be preserved.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Supply Base Verifiers</b>     | <p>The following SBV's are used in this risk assessment:</p> <ul style="list-style-type: none"> <li>• <a href="https://whc.unesco.org/en/list/">https://whc.unesco.org/en/list/</a></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Risk Rating justification</b> | <p>There are no UNESCO World heritage sites on the Salento peninsula.</p> <p>The 'Plain of the Monumental Olive Trees' is an area between Ostuni and Fasano with more than 250.000 HCV trees.</p> <p>In other regions of Italy hedges might be of importance to the biodiversity; but due to the very dry climate in Puglia hedges are not existing. There is a long tradition for 'muri a secco', stone fences. These are even UNESCO protected, and as such every activity on any terrain shall be conducted in such a way that trees close to these stone fences should be felled in the opposite direction to ensure no damage.</p> |
| <b>Risk Rating</b>               | Specified Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## Annex 2: EU RED Supply Base Evaluation

Not Applicable (RED II SBE not included)

| Countries where EU RED Supply Base Evaluation is used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                             |
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| Country                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Italy                                                                                                                                                                       |
| Area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Puglia                                                                                                                                                                      |
| Sustainable harvesting criteria 29(6)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                             |
| (i) The legality of harvesting operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                             |
| Type of Risk Assessment used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| Level A risk assessment description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | N/A                                                                                                                                                                         |
| Level B management system at the level of the forest sourcing area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Not in use, TOF                                                                                                                                                             |
| (ii) Forest regeneration of harvested areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                             |
| Type of Risk Assessment used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| Level A risk assessment description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | N/A                                                                                                                                                                         |
| Level B management system at the level of the forest sourcing area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Not in use, TOF                                                                                                                                                             |
| (iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                             |
| Type of Risk Assessment used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| Level A risk assessment description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | N/A                                                                                                                                                                         |
| Level B management system at the level of the forest sourcing area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Not in use, TOF                                                                                                                                                             |
| (iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats |                                                                                                                                                                             |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                             |
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| Type of Risk Assessment used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| Level A risk assessment description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | N/A                                                                                                                                                                         |
| Level B management system at the level of the forest sourcing area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Not in use, TOF                                                                                                                                                             |
| <b>(v) That harvesting maintains or improves the long-term production capacity of the forest.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                             |
| Type of Risk Assessment used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| Level A risk assessment description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | N/A                                                                                                                                                                         |
| Level B management system at the level of the forest sourcing area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Not in use, TOF                                                                                                                                                             |
| <p><b>(vi)<sup>1</sup> That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.</b></p> <p><i>Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</i></p> <p><i>(a) <b>primary forest</b> and other wooded land and <b>old growth forest</b>, namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of <b>old growth forest</b> at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.</i></p> |                                                                                                                                                                             |
| Type of Risk Assessment used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| Level A risk assessment description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | N/A                                                                                                                                                                         |
| Level B management system at the level of the forest sourcing area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Not in use, TOF                                                                                                                                                             |
| <p><b>(vi)<sup>2</sup> That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.</b></p> <p><i>Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</i></p> <p><i>(b) <b>highly biodiverse forest</b> and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                             |
| Type of Risk Assessment used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| Level A risk assessment description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | N/A                                                                                                                                                                         |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                             |
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| <b>Level B management system at the level of the forest sourcing area</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Not in use, TOF                                                                                                                                                             |
| <p>(vi)<sup>3</sup> That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.</p> <p><i>Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</i></p> <p>(d) <b>highly biodiverse grassland</b> spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.</p> |                                                                                                                                                                             |
| <b>Type of Risk Assessment used</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| <b>Level A risk assessment description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | N/A                                                                                                                                                                         |
| <b>Level B management system at the level of the forest sourcing area</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Not in use, TOF                                                                                                                                                             |
| <p>(vi)<sup>4</sup> That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.</p> <p><i>Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:</i></p> <p>(e) <b>heathland</b> - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).</p>                                                                                                                                                                                                                   |                                                                                                                                                                             |
| <b>Type of Risk Assessment used</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| <b>Level A risk assessment description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | N/A                                                                                                                                                                         |
| <b>Level B management system at the level of the forest sourcing area</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Not in use, TOF                                                                                                                                                             |
| <p>(vi)<sup>5</sup> That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.</p> <p><i>Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:</i></p> <p>(a) <b>wetlands</b>, namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                             |

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| <b>Type of Risk Assessment used</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| <b>Level A risk assessment description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | N/A                                                                                                                                                                         |
| <b>Level B management system at the level of the forest sourcing area</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Not in use, TOF                                                                                                                                                             |
| <p><b>(vi)<sup>6</sup> That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.</b></p> <p><i>Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was peatland in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.</i></p> |                                                                                                                                                                             |
| <b>Type of Risk Assessment used</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| <b>Level A risk assessment description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | N/A                                                                                                                                                                         |
| <b>Level B management system at the level of the forest sourcing area</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Not in use, TOF                                                                                                                                                             |
| <p><b>(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                             |
| <b>Type of Risk Assessment used</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <input checked="" type="checkbox"/> Level A – proof at national or sub-national level<br><input type="checkbox"/> Level B – management system at forest sourcing area level |
| <b>Level A risk assessment description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | N/A                                                                                                                                                                         |
| <b>Level B management system at the level of the forest sourcing area</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <i>Not applicable, requirement only applies to Level A</i>                                                                                                                  |

| LULUCF criteria 29(7)                                                     |                                                                                                                                                                             |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type of Risk Assessment used</b>                                       | <input type="checkbox"/> Level A – proof at national or sub-national level<br><input checked="" type="checkbox"/> Level B – management system at forest sourcing area level |
| <b>Level A risk assessment description</b>                                | N/A                                                                                                                                                                         |
| <b>Level B management system at the level of the forest sourcing area</b> | Not in use, TOF                                                                                                                                                             |

## Annex 2a: EU RED II Supply Base Evaluation

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

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

#### Verification and monitoring of suppliers

N/A

#### Feedstock inspection and classification upon receipt

N/A

#### Supplier audit for processing residues and post-consumer feedstock

N/A

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

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

**Country: Italy - Puglia**

### Article 29 (2): Soil quality and soil carbon

Biomass fuels produced from waste and residues derived not from forestry but from agricultural land shall be taken into account for the purposes referred to in points (a), (b) and (c) of the first subparagraph of paragraph 1 only where operators or national authorities have monitoring or management plans in place in order to address the impacts on soil quality and soil carbon. Information about how those impacts are monitored and managed shall be reported pursuant to Article 30(3).

#### (i) Impacts on soil quality

##### Step 1: Identification of applicable laws

|                                             |                                                                      |
|---------------------------------------------|----------------------------------------------------------------------|
| Have the applicable law(s) been identified? | No, management plan needed at economic operator level (go to step 4) |
| List of applicable law(s)                   | N/A                                                                  |
| Sources                                     | N/A                                                                  |

##### Step 2: Description of enforcement and monitoring by competent authorities

|                                                                          |                                                                      |
|--------------------------------------------------------------------------|----------------------------------------------------------------------|
| Description of the practical implementation and monitoring of the law(s) | N/A                                                                  |
| Sources                                                                  | N/A                                                                  |
| Is the enforcement and monitoring ensured for the identified law(s)?     | No, management plan needed at economic operator level (go to step 4) |

##### Step 3: Evaluation of the effectiveness of the legal framework

|                                                                          |     |
|--------------------------------------------------------------------------|-----|
| Evaluation of the practical implementation of the law(s) and explanation | N/A |
|--------------------------------------------------------------------------|-----|

|                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| for the evaluation                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Sources                                                                                                   | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Is legal framework effective?                                                                             | No, management plan needed at economic operator level (go to step 4)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>Step 4:</p> <p>Detailed description of a management plan and monitoring at economic operator level</p> | <p>Finding: Ancient olive trees, just like other forest formations like Mediterranean shrub vegetation and forests play a strategic role in limiting soil loss and impoverishment of soil organic matter, against the effects of erosion by wind and water. (Calabrese et al 2012) From the above it can be concluded that felling comes with a risk of deteriorating soil quality. "Ecosystems help to filter out and decompose organic wastes and purify source of impurities in water systems. Olive leaves and the by-products from processing are often used as soil amendments in Puglia. The wastewater from processing is also used in olive cultivation. The reduction in olive production following the epidemic diminishes the availability of wastewater and olive by-products, which in turn limits soil remediation and decomposition. Moreover, the loss of green cover reduces the ability of the ecosystem to contain its impurities before entering to water systems. On average, the provisioning of this service is estimated to diminish by about 16% both in the short- and long term." "Soil erosion by wind and water is expected to increase following the death of olive trees and associated vegetation growing under the cover of the trees. As one of the experts stated, in areas where olive trees are dying, other vegetation (e.g., weeds) are also dying due to lack of shade from the olive tree canopies that would normally stabilise air and soil temperature in the olive groves. The loss of soil cover increases the risk of erosion and loss of organic matter, and the problem is aggravated by other stressors (e.g., fire). Erosion regulation is expected to diminish by about 30% and 19% in the short- and long term, respectively. The long-term impact is lower (than the short-term impact) since the experts expect that the landscape will be managed with olive or other tree plants that are less vulnerable to the disease. However, one of the experts noted that replanting of (resistant) olive or other trees is not feasible (at least very difficult) in the hilly areas." The damage has happened to the soil. The whole purpose of the Organization's operation is to prepare for the next steps that will take the damage of erosion from 30% to 19%, i.e., a significant improvement. Replanting can only happen in the wet season due to the very dry and warm weather in summer. And correspondingly the eradication happens mostly in the dry season, as working with the very heavy machinery is difficult and very costly in the wettest periods. Thus, preparation in dry season and replanting in the following wet season has become the norm, and this also ensures that replanting is done in a speedy manner. This is obviously also in the interest of the landowner, as this makes the time to the first harvest as short as possible. The operations are only in the flat part of the Salento peninsula, the felling of trees in sloping areas would have been expected to be of higher risk of soil erosion. The whole purpose of our operation is to prepare for the next steps that will take the damage of erosion from 30% to 19%. Felling of infected trees will stop the soil erosion by replanting of new healthy trees. Risk Assessment: Specified. Mitigation Measure: Part of the compulsory agronomist preparation of the eradication communication to the region is to evaluate the terrain and ensure that the harvest does not lead to irreversible negative impacts to the ecosystem. If the terrain is very hilly, then further analyses need to be conducted to ensure that heavy rain will not damage the terrain (e.g. idrogeologico measures). This project only includes terrains with permission for eradication without idrogeologico exemptions. These terrains are also obliged to replant. Therefore, the terrain will be replanted with immune olive tree variants, and this ensures that the soil quality is maintained. (Management procedure #10)</p> |
| <b>(ii) Impact on soil carbon</b>                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Step 1: Identification of applicable laws                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Have the applicable law(s) been identified?                                                                | No, management plan needed at economic operator level (go to step 4) |
| List of applicable law(s)                                                                                  | N/A                                                                  |
| Sources                                                                                                    | N/A                                                                  |
| Step 2: Description of enforcement and monitoring by competent authorities                                 |                                                                      |
| Description of the practical implementation and monitoring of the law(s)                                   | N/A                                                                  |
| Sources                                                                                                    | N/A                                                                  |
| Is enforcement and monitoring ensured for the identified law(s)?                                           | No, management plan needed at economic operator level (go to step 4) |
| Step 3: Evaluation of the effectiveness of the legal framework                                             |                                                                      |
| Evaluation of the practical implementation of the law and explanation for the evaluation                   | N/A                                                                  |
| Sources                                                                                                    | N/A                                                                  |
| Is legal framework effective?                                                                              | No, management plan needed at economic operator level (go to step 4) |
| Step 4:<br><br>Detailed description of a management plan and monitoring applied at economic operator level | See 29 (2) (i)                                                       |

#### Article 29 (3a): Protection of land with high biodiversity value

*Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:*

- (a) *primary forest and other wooded land and old growth forest, namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located.*

|                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p>Description of a management system process to meet the requirement.</p> | <p>TOF: Article 29 paragraph 3: 'no-go' areas. Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: (a) primary forest and other wooded land (b) highly biodiverse forest and other wooded (c) areas designated: (i) by law or by the relevant competent authority for nature protection purposes; or (ii) for the protection of rare, threatened or endangered ecosystems or species (d) highly biodiverse grassland (i) natural, namely grassland (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded Finding: Puglia has been the dominant olive oil producing region in Italy for centuries (+50% of the overall production). The last acceptance of new olive plantations into the region of Puglia's scheme for EU support (PAC) was in the season 2001/02. Since it has not been attractive to plant new olive plantations in Puglia, and none have been planted. Thus, no conversions to olive plantations have happened since 2001/02. Since Xylella fastidiosa infection was first discovered in 2013, it is likely that conversion from the other land types (forest, wetland, peatland and highly biodiverse grasslands) to olive groves has been very limited. Olive trees thrive in temperate warm and dry climate, and Puglia has no wetlands or peatlands. None of the production areas are based on young plantations, in case these exist at all they will be handled by the owner, as bringing in big machinery for these young and small plantations makes little sense. Olive tree plantation is not an agricultural form where the area is cut and replanted on a pending annual basis and Puglia is known for centuries old olive field, and therefore the risk of olive tree plantations being established on areas that e.g., were highly biodiverse grasslands before 2008 is a very low risk for the period. Risk Assessment: Low.</p> |

#### Article 29 (3b): Protection of land with high biodiversity value

*Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:*

- (b) *highly biodiverse forest and other wooded land which is species-rich and not degraded, or has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes;*

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| <p>Description of a management system process to meet the requirement.</p> | <p>See 29 (3a)</p> |
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#### Article 29 (3c): Protection of land with high biodiversity value

*Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:*

- (c) *areas designated:*

- (i) by law or by the relevant competent authority for nature protection purposes; or
- (ii) for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the

#### Article 29 (3d): Protection of land with high biodiversity value

*Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:*

- (c) highly biodiverse grassland spanning more than one hectare that is:
  - (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or
  - (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.

Description of a management system process to meet the requirement.

See 29 (3a)

#### Article 29 (4a): Protection of land with high carbon stock

*Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:*

- (a) wetlands, namely land that is covered with or saturated by water permanently or for a significant part of the year;

*This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.*

Description of a management system process to meet the requirement.

TOF: Article 29 paragraph 4: lands with high-carbon stock. Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status... Finding: In the Article 29 paragraph 4 it is stated that "This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008." Risk Assessment: Low. Mitigation: No mitigation needed, as the status of the land is the same as before January 2008 for all harvested areas.

#### Article 29 (4b): Protection of land with high carbon stock

*Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:*

- (b) continuously forested areas, namely land spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30 %, or trees able to reach those thresholds in situ;*

*This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.*

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| Description of a management system process to meet the requirement. | See 29 (4a) |
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#### Article 29 (4c): Protection of land with high carbon stock

*Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:*

- (c) land spanning more than one hectare with trees higher than five metres and a canopy cover of between 10 % and 30 %, or trees able to reach those thresholds in situ, unless evidence is provided that the carbon stock of the area before and after conversion is such that, when the methodology laid down in Part C of Annex V is applied, the conditions laid down in paragraph 10 of this Article would be fulfilled.*

*This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.*

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| Description of a management system process to meet the requirement. | See 29 (4a) |
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#### Article 29 (5): Protection of peatland

*Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was peatland in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.*

|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                        |
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| Description of a management system process to meet the requirement. | TOF: Article 29 paragraph 5: Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was peatland in January 2008. Finding: This cannot and will not happen as: There are no peatlands in Puglia. No terrains are included with plants that were not there before January 2008, it is also extremely rare to find in Puglia. Risk Assessment: Low. |
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## Annex 4a: RED II detailed findings for Trees Outside Forest (TOF) feedstock

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