



RISK ASSESSMENT FOR FSC CONTROLLED WOOD
 (According to FSC-STD-40-005 V3-1)

Company name:	TANAC S.A – Chip and Pellets Unit TANAC S.A – Tannin Unit
Address:	Physical Address – Chip and Pellets Unit: B, street, Industrial neighborhood Zip code: 96.200-970 – Rio Grande - Rio Grande do Sul Physical Address – Tannin Unit: Torbjorn Weibull Street, 199 Zip code: 95.780-000 Montenegro – Rio Grande do Sul
Certificates Code:	TANAC S.A – Wood Chip Unit FSC CoC, BV – COC – 013404 - B FSC CW, BV – CW - 013404 - B TANAC S.A – Tannin Unit FSC CoC, BV – COC – 013404 - A FSC CW, BV – COC – 013404 - A
Certification Body:	Bureau Veritas Certification

Date of initial Risk Assessment (to be completed by the Company)	March, 2018	
Date of the annual review (to be completed by the Company)	May, 2018	After this review, was the Risk Assessment amended ? <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of approval^[1] by Bureau Veritas Certification		

Purchased product type: (According to FSC-STD-40-004a)	W1 Rough wood W1.1. Roundwood
Species:	<i>Acacia mearnsii</i> - acácia-negra

Type of source:	Wood
Country:	Brazil
Districts:	Taquari, Dom Feliciano, Triunfo, São Jerônimo, Camaquã, Montenegro, Canguçu, São Lourenço do Sul, Pedras Altas, Bagé.

[1]NOTE: The latest version of Risk Assessment (Public Summary version) shall be available on the FSC database within seven (7) business days of approving a new or updated risk assessment or the issuing of FSC Controlled Wood certification code.

The risk assessment shall be approved by HUB FSC COC Technical Reviewer.

This template is no guarantee for conformity with FSC requirements. It is the responsibility of the client to conform with FSC requirements.

Scope

This standard is for use by FSC certified companies aiming to avoid sourcing illegally harvested wood, wood harvested in violation of traditional and civil rights, wood harvested in forests where high conservation values are threatened by management activities, wood harvested in forests being converted to plantations or non-forest use, wood from forests in which genetically modified trees are planted. The standard shall be applied to the uncertified material of FSC product group (herein referred to as wood) in the manufacturing, processing, transformation and trade of forest products carrying the FSC label. It shall also be applied by FSC chain of custody certified traders who wish to supply FSC Controlled Wood to FSC chain of custody certified operations for the purpose of mixing with FSC certified materials.

NOTE: This document details all the elements that are required to do the risk assessment. However, the document is divided into a “Restricted Information” section and a “Public Information” section. Only the information recorded in the “Public” section will be available on the FSC website. The information in the “Restricted” section will be covered by the Bureau Veritas Certification rules of confidentiality and will not be disclosed. The Risk Assessment requires a precautionary approach. Any area worldwide is therefore considered “unspecified risk” until “low risk” can be determined in line with the risk assessment set out here under (refer Section 1.1 of FSC-STD-40-005)

The following is important:

1. The Risk Assessment shall begin at the broadest relevant scale. If conditions at a given scale are not sufficiently homogeneous to establish low risk, the scale shall be further decreased. The Risk Assessment shall be continued at decreasing scales until conditions are sufficiently homogeneous.
2. Risk designation may be possible at a national level under certain homogeneous conditions, whereas under more heterogeneous conditions, risk designation may only be possible at a district or local level and/or at the level of subsets of eco-regions.
3. District is an area of particular biogeographic region within a country of concern. Risk assessment is prepared for each Country of Wood Origin and is based on FSC global risk assessment and on approved risk assessment made for the same Country, Districts and Pulp producer and/or supplier.
4. If more than one supplier is from the same low risk country only one risk assessment need to be completed for the specific country.
5. The document shall be completed in one of the two official language of FSC (English or Spanish).

Public Information: The following data shall be published:

This risk assessment shall contain consistent information compared to FSC Global Risk Registry (<http://www.globalforestregistry.org/>) related to the five FSC Controlled Wood categories. In cases where Company classifies sourcing areas differently from the risk category indicated in the FSC Global Risk Registry, the company shall give clear justifications and evidences.

1. ILLEGALLY HARVESTED WOOD

The supply area may be considered low risk in relation to illegal harvesting when all of the following indicators related to forest governance are met.

	Requirements	Sources of information	Finding&Evidence	Result
1.1	<p>Evidence of enforcement of logging related laws in the supply area.</p> <p>a) The organization shall use the 'Minimum list of applicable laws, regulations and nationally- ratified international treaties, conventions and agreements' (Table A, below) for the identification of logging related laws in the supply area under evaluation.</p> <p>b) The organization may use existing national lists from approved FSC National Forest Stewardship Standards and other reputable sources in order to compile the list.</p> <p>Where the FSC Global Forest Registry contains an FSC approved list of applicable laws for a country, it is mandatory to use this list.</p>	<p><u>Sources consulted on May, 2018:</u></p> <ul style="list-style-type: none"> - Normative Instruction 3/2009 of the Ministry of the Environment. http://www.mma.gov.br/estruturas/pnf/_arquivos/in_ma_03_2009_5.pdf - Law 11.571, January 4th, 2001, Rio Grande do Sul State, that gives information about the emission of the producer invoices stub in name of family and about the land use rights. http://www.al.rs.gov.br/legis/M010/M0100018.asp?Hid_IdNorma=2576&Texto=&Origem=1 - Ordinary Law 14.961, December 13, 2016, Rio Grande do Sul State, that gives information about the Planted Forest Policy. http://www.al.rs.gov.br/legis/M010/M0100018.asp?Hid_IdNorma=64380&Texto=&Origem=1 - State Decree 53.862, December 28, 2017, that establish the Forest State Register and Environmental Licence to planted forests. http://www.legislacao.sefaz.rs.gov.br/Site/Document.aspx?inpKey=259454&inpCodDispositive=&inpDsKey words=53862 - The Royal Institute of International Affairs (www.illegal-logging.info) - Transparency International Corruption 	<p>In Brazil, there is no legal requirement to logging of exotic wood in forest planted for commercial purposes (out of areas considered permant preservation).</p> <p>For doing the registration some documents are necessary as as Individual Identity Number (ID), Landowner Identification and the land documents. These documents will be analysed for the State Competent Organization and if there is no restriction (with documents as ID and Individual Identity Number), the producer will be informed.</p> <p>Besides that, there is a Forest State Register that aim make a compulsory registration of people or organizations with production activities, consume and/or trade of raw-material, forest products and subproducts of native or exotic species between the categories of Producer, Consumer and Trader.</p> <p>During the year (2017 and at the beginning of 2018), the TANAC team consulted stakeholders about any evidence of illegal harvested wood in the diferente regions of wood and bark supply. No evidence was found. All the coments of stakeholders are mantained.</p>	Low risk

		<p>Perception Index https://www.transparency.org/news/feature/corruption_perceptions_index_2017</p> <p>- WWF (www.panda.org) -</p>		
1.2	<p><i>There is evidence in the supply area demonstrating the legality of harvests and wood purchases including, for example, robust and effective systems for granting licenses and harvest permits.</i></p>	<p><u>Sources consulted on May, 2018:</u> www.sema.rs.gov.br Environmental Foundation of Rio Grande do Sul. State Secretariat for the Environment – Rio Grande do Sul – Brazil – Forest State Register http://www.sema.rs.gov.br/licenciamentos</p>	<p>Nowadays there is not necessary the license to cut exotic planted trees in the Rio Grande do Sul State.</p>	Low risk
1.3	<p>There is little or no evidence or reporting of illegal harvesting in the supply area.</p>	<p><u>Sources consulted on May, 2018:</u> www.illegal-logging.org https://fsc-watch.com/</p>	<p>No reports identifying illegal activities in the districts assessed, according the sources specified for the FSC®.</p>	Low risk
1.4	<p>There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.</p> <p>The annually published Transparency International <i>Corruption Perception Index</i> (CPI) shall be used. Countries with a score of less than 50 shall be considered unspecified risk, unless there is specific independent and credible information at a lower scale (e.g. implemented independent timber tracking systems) that demonstrates the contrary.</p>	<p><u>Sources consulted on May, 2018:</u> Brazil Corruption Perceptions Index 2017: https://www.transparency.org/news/feature/corruption_perceptions_index_2017</p>	<p>The CPI 2017 - The Corruption Perceptions Index measures the perceived levels of public sector corruption worldwide. Score ranges between 100 (very clean) and 0 (highly corrupt).</p> <p>The Score of Corruption Perception (CPI) in the Brazil is 37.</p> <p>During the field audit accomplished and through the stakeholders consultation, none evidence of illegality was found.</p>	Low risk

General requirements for risk assessment:

a) An area shall be considered unspecified risk when illegal harvesting is a threat to the forest, people, or communities. Minor infractions and issues such as minor geographical deviations from the allotted area of harvesting, late filing of paperwork, or small infractions related to transport should not result in a designation of unspecified risk.

b) The evaluation of risk for illegal harvesting shall include consideration of at least the following:

- The perceived level of corruption related to forest activities;
- The degree of transparency about information that is likely to reveal or reduce illegal harvesting if made public;
- The degree to which key data and documents relevant to illegal harvesting exist and are of satisfactory quality; and
- Independent reports about illegal harvesting.

2. WOOD HARVESTED IN VIOLATION OF TRADITIONAL OR CIVIL RIGHTS

2 The supply area may be considered low risk in relation to the violation of traditional and human rights when all of the following indicators are met:

	Requirements	Sources of information	Finding&Evidence	Result
2.1	There is no UN Security Council ban on timber exports from country concerned	Sources consulted on May, 2018. IBAMA – Brazilian Institute of Environment and Natural Resources http://www.ibama.gov.br/ MAPA - Ministry of Agriculture, Livestock and Food Supply. http://www.agricultura.gov.br/ CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) http://www.cites.org/	There is no prohibition of Acacia's exportation of Brazil.	Low Risk
2.2	The country or supply area is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber).	Sources consulted on May, 2018: https://www.usaid.gov/brazil	The country are not designated as a source of conflict timber.	Low Risk
2.3	There is no evidence of child labour or violation of ILO Fundamental Principles and Rights at Work taking place in forest areas in the assessed supply area.	Sources consulted on May, 2018: Consultation of employers listed in document of the Ministry of Labor: http://trabalho.gov.br/images/Documentos/trabalhoescravo/CADASTRO_DE_EMPREGADORES_2018-04-25_publicacao_semestral_ordinaria_DETRAE_abril-2018.pdf Information System on Child labor Areas (period may 2017 to may 2018)	No evidences of slave labour or child labour were observed in the areas of production, according to the sources consulted, stakeholders consultation and according to the evaluation at field that was accomplished in accordance with the index of technical standard TANAC 1500-003-1, version april/2018 and relative documents (attached) in compliance with FSC-STD-40-005 version 3.1 and FSC CW RA BRA V1-2.	Low Risk

		<p>http://sistemasiti.mte.gov.br/Focos/Pesquisar.aspx</p> <p>Consultation of Document of Pastoral Commission of Land (CPT): Conflicts in rural areas, July, 2017: https://www.cptnacional.org.br/index.php/component/downloads/send/41-conflitos-no-campo-brasil-publicacao/14061-conflitos-no-campo-brasil-2016</p>	<p>Indicators:</p> <ul style="list-style-type: none"> - Verification through interviews with workers about the minimum age to work according to the kind of work realized. - Consultation of employers listed in the document of the Ministry of Labor, last update and Fulfilment of work conditions check-list on the field (production areas). (attached documents). - Wage compatible to the activity executed; - Period/Duration of the activity executed (By Brazilian law: maximum of 10 hours daily, if two extra hours are paid; or maximum of eight hours daily in normal conditions); - Weekly paid rest; - Adequate feeding and drinking water conditions; - Worker is not paying debt with work; - Worker does not have his documents retained; - Workers involved in harvesting activities hold certificates of competence required for the function that they perform. - Workers are employed according to the regulations and required contracts / evidence are in place (CTPS).- - Workers involved in harvesting activities use the legally required protection equipment provided by the organization with no cost for the forestry worker. - There is no difficulty in access to the work place and/or presence of armed guards. - Law 8.069 of July 13th, 1990 – Child and Teenagers Statute Regulatory Standard number 15 – Labour Ministry – Activities and unhealthies operations. CLT - Consolidation of Labour Laws: Title III, Chapter IV – Protection of Minor Labour 	
2.4	<p>There are recognized and equitable processes <i>(A process in which there are functioning means of recourse and/or there are no overwhelming structural</i></p>	<p>Sources consulted on May, 2018:</p> <p>Map of Environmental Injustice – FIOCRUZ- Ministry</p>	<p>There is no evidences of conflicts involving traditional rights evaluation accomplished according indicators of Technical Standard</p>	Low Risk

	<p><i>imbalances or inherent unfairness. Examples of processes include land claims negotiations, judicial procedures and treaty negotiations) in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the assessed supply area (Indigenous Peoples, workers, communities and government within the supply area accept and endorse the structure for addressing and resolving these issues; and communities and/or Indigenous Peoples have recognized power to mitigate any threats of harvesting through legal systems or other authorities);</i></p>	<p>of Health: https://www.conflitoambiental.icict.fiocruz.br/index.php</p> <p>FUNAI: National Foundation of Indigenous people – Brazil</p> <p>Cultural Foundation Palmares – Culture Ministry – Brazil</p> <p>Quilombolas Communities in Rio Grande do Sul State</p>	<p>TANAC 1500-003-1, version 2018 and relative documents (attached) in compliance with FSC-STD-40-005 version 3.1 and FSC CW RA BRA V1-2, as well as the stakeholders consultation carried out by TANAC.</p>	
2.5	<p>There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the supply area concerned.</p> <p>The standard does not refer to the ratification of ILO 169 and a risk assessment shall involve an assessment of evidence of violation of ILO requirements, irrespective of whether or not they have been ratified by the country in which the risk assessment is made.</p>	<p>Sources consulted on May, 2018:</p> <p>Convention 169 of OIT - International Labour Organization.</p> <p>Report of Violence against Indigenous Peoples in Brasil – CIMI, 2016: https://www.cimi.org.br/pub/relatorio/Relatorio-violencia-contra-povos-indigenas_2016-Cimi.pdf</p> <p>Map of Environmental Injustice – FIOCRUZ- Ministry of Health: http://www.conflitoambiental.icict.fiocruz.br/index.php</p> <p>FUNAI: National Foundation of Indigenous people</p>	<p>There is no evidences of violation of the Convention 169 of OIT (International Labour Organization) about Indigenous and Tribes People in the forests areas under evaluation evaluation according indicators Technical Standard TANAC 1500-003-1, version abril 2018 and relative documents (attached) in compliance with FSC-STD-40-005 version 3.1 and FSC CW RA BRA V1-2, as well as the stakeholders consultation carried out by TANAC.</p>	Low Risk

NOTE: Traditional rights may include rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit. An example of a traditional right related to forests is access for local communities to forest areas to visit sacred and ritual sites.

3. WOOD HARVESTED FROM FOREST IN WHICH HIGH CONSERVATION VALUES ARE THREATENED BY MANAGEMENT ACTIVITIES

3 The district of origin may be considered low risk in relation to threat to high conservation values if: a) indicator 3.1 is met; or b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1.

	Requirements	Sources of information	Finding&Evidence	Result
3.1	<p>Forest management activities at the relevant level (ecoregion, sub-ecoregion, local) do not threaten ecoregionally significant HCVs.</p> <p>The organization shall first assess whether any HCVs are threatened at the ecoregional level. If any HCVs are threatened at the ecoregional level, the organization shall assess how forest management activities relate to these HCVs at the supply area level.</p> <p>For the risk assessment of this category the identification of ecologically significant HCVs is required, which in practical terms implies that locally relevant values are not in the focus of this step of the risk assessment.</p> <p>Threatened ecoregions can be identified through the supporting information that references, but is not limited to e.g. Biodiversity Hotspots, Global 200 Ecoregion, Frontier Forest, Intact Forest Landscapes.</p> <p>Regarding Intact Forest Landscapes, firefighting or fire prevention for the protection of public safety is not considered to be an economic activity of minimal disturbance. Fire control in the context of forest management activities is not considered to be an economic</p>	<p>Sources consulted on May, 2018:</p> <p>Environmental Zoning of Forestry in Rio Grande do Sul – FEPAM: http://www.fepam.rs.gov.br/biblioteca/zoneam_silvic.asp</p> <p>Conservation Areas http://www.mma.gov.br/estruturas/chm/arquivos/maparea.pdf</p>	<p>The management of planted forests done by the producers that supply raw material for TANAC does not threaten the natural forests of region. The FMU's respects the natural vegetation limited by forest law, harvesting only on the plantations areas. It was evidenced during the field audit.</p> <p>Environmental restrictions are followed in the field, such as requirements related to soil damage, buffer zones, retained trees, seasonal restrictions.</p> <p>Evaluation according indicators of Technical Standard TANAC 1500-003-1, version april 2018 and relative documents (attached) in compliance with FSC-STD-40-005 version 3.1 and FSC CW RA BRA V1-2, as well as the stakeholders consultation carried out by TANAC.</p>	Low Risk

	<p>activity of minimal disturbance.</p> <p>Low risk for this indicator may be demonstrated as follows:</p> <ul style="list-style-type: none"> a) Material does not originate from any of the mapped areas of HCVs (as listed in 3.1), <i>or</i> b) There are no ecoregionally significant HCVs in the supply area according to independent verifiable information at the supply area/supply unit level (NGO reports, environmental impact assessments, etc.). 			
3.2	<p>A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p> <p>Low risk for this indicator shall be demonstrated as follows:</p> <ul style="list-style-type: none"> a) A strong system of protection of HCVs is in place. The definition of strong shall be based on the effectiveness of law enforcement in the country. This can be demonstrated through a high rating ($\geq 75\%$) in the World Bank 'rule of law' index (www.govindicators.org), <i>and</i> b) There is significant support by relevant national/regional stakeholders from the assessed supply area, <i>or</i> c) The forest manager has agreed to an approach of HCV protection at the supply unit level with national/regional environmental stakeholders 	<p>Sources consulted on May, 2018:</p> <p>Certidão Negativa de Débitos do IBAMA (Interdicted Areas)</p> <p>Priority Areas for Conservation, Sustainable use and Benefic Sharing of the Brazilian Biodiversity:</p> <p>http://www.mma.gov.br/estruturas/chm/arquivos/biodiversidade31.pdf</p> <p>Distribuition of sustainable use and full protection areas released by MMA and ICMBio:</p> <p>http://mapas.mma.gov.br/mapas/aplic/monitoramento_biomassas_2002_2008/datadownload.htm</p>	<p>The protection of natural vegetation is assured by the forest laws and there is no evidences of threat on native areas in the areas of production, according to the sources consulted, stakeholders consultation and according to the evaluation at field that was accomplished in accordance with the index of technical standard TANAC 1500-003-1, version 2018 and relative documents (attached) in compliance with FSC-STD-40-005 version 3.1 and FSC CW RA BRA V1- 2.</p> <p>The FMU's are Renewable Plantations. Field evaluation according indicators of Technical Standard TANAC 1500-003-1, version april 2018 and relative documents (attached) in compliance with FSC-STD-40-005 version 3.1 and FSC CW RA BRA V1- 2.</p>	Low Risk

	<p>relevant for the assessed supply area.</p> <p>d) Indicator 3.2 cannot be met if there is substantial objection from relevant national or regional stakeholders against a low risk designation for the HCV category.</p>			
--	--	--	--	--

NOTE 1: Threat in the context of this annex means having an uncertain chance of continued survival or presence of HCVs at the ecoregion level. This standard requires the identification of threats to HCVs caused by forest management activities.

NOTE 2: There is no difference in the definition of HCVs and their different categories between the FSC Principles and Criteria (FSC-STD-01-001) and this standard. The difference relates to the objectives of both standards. While the FSC Principles and Criteria require the maintenance and enhancement of HCVs at the management unit level, this standard requires the organization to avoid material from forests where HCVs are being threatened at the ecoregional level.

General requirements for risk assessment:

a) HCVs that provide basic services of nature in critical situations and those that are fundamental to meeting basic needs of local communities can be considered low risk, if indicators 2.4, and 3.1 and/or 3.2 are met. That is, there are recognizable and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the supply area concerned.

4. WOOD HARVESTED FROM AREAS BEING CONVERTED FROM FORESTS AND OTHER WOODED ECOSYSTEMS TO PLANTATIONS OR NON-FOREST USES

4 The supply area may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is met:

NOTE: the change from plantations to other land uses is not considered forest conversion.

	Requirements	Sources of information	Finding&Evidence	Result
4.1	<p>There is no net loss and no significant rate of loss (>0,5 % per year) of natural forests and other naturally wooded ecosystems such as savannah taking place in the eco-region in question</p> <p><i>The rate (i.e. > 0.5%) may be adjusted as additional information becomes available.</i></p> <p><i>Note: FAO forest cover data and statistics may not consider forest conversion to plantation as a loss of forest cover. Therefore, in an area with extensive conversion of natural forest to plantation, the data might not show a significant rate of forest loss and could thus be misleading in the context of this standard.</i></p>	<p>Sources consulted on May, 2018:</p> <p>https://www.sosma.org.br/projeto/atlas-da-mata-atlantica/dados-mais-recentes/</p> <p>http://mapas.sosma.org.br/site_media/download/Atlas_Mata_Atlantica_2016-2017_relatorio_tecnico_2018_final.pdf</p> <p>https://www.sosma.org.br/projeto/atlas-da-mata-atlantica/dados-mais-recentes/</p>	<p>According to data from the Remaining Atlantic Rainforest Atlas prepared by the SOS Mata Atlântica Foundation and the National Aerospace Research Institute (INPE), the deforestation tax of Rio Grande do Sul State (2017) has not change since last year, remains 7,9 %.This study uses as reference to the mapping of natural fomations and desforestation, the Map of application of Atlantic Forest Law, 11.428, 2006.</p> <p>The FMU's are Renewable Plantations, which was verified in the field during audits. Field evaluation according indicators of Technical Standard TANAC 1500-003-1, version april 2018 and relative documents (attached) in compliance with FSC-STD-40-005 version 3.1 and FSC CW RA BRA V1-2.</p>	Low Risk

NOTE: The intent of the risk assessment for this category is to reveal risk in regions where there is a significant occurrence of deforestation of natural forests. The organization is encouraged to seek for guidance from FSC network partners and regional offices on the interpretation of 'significant rate of loss' for forests in their countries and regions.

5. WOOD FROM FORESTS IN WHICH GENETICALLY MODIFIED TREES ARE PLANTED

5 The supply area may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is met:

	Requirements	Sources of information	Finding&Evidence	Result
a)	There is no commercial use of genetically modified trees of the species being sourced; or	Sources consulted on May, 2018: http://www.planalto.gov.br/ccivil_03/ato2004-2006/2005/lei/l11105.htm	There is no plantation or commercial use of genetically modified acacia in Rio Grande do Sul. The use of OGM's is prohibited to the commercial plantation at Brazil without licence of the CTNBio (National Technical Biosafety Committee). There is no license for planting genetically modified acacia until now and there is no demand for it until the present moment.	Low Risk
b)	Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use of the species being sourced; or	Table of genetically modified plants aproved for commercial purposes: http://ctnbio.mcti.gov.br/documents/566529/1684467/Tabela+de+Plantas+Aprovadas+para+Comercializa%C3%A7%C3%A3o/e3087f9c-c719-476e-a9bd-bfe75def842f?version=1.0	Until now, there is not regulation of experimental use of acacia genetically modified at Brazil.	
c)	It is forbidden to use genetically modified trees commercially in the country concerned.			

ANNEX 1: Controlled Material Evaluation - TECHNICAL NORM - 1500-003-1 Date: 13.04.2018 – Review 7

ANNEX 2: Raw Material Producer Evaluation – Chain Custody – (Field Audit) – Date: June 2018.

ANNEX 3: Stakeholders consultation

1. OBJECTIVE

Establish the system and responsibilities for the controlled material source evaluation in the Units Tannin and Chip of TANAC S. A. located in Montenegro and Rio Grande cities, Rio Grande do Sul, Brazil. This norm follows the FSC® requirements to avoid purchasing material from unacceptable sources:

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

2. APPLICATION

This TN applies to Purchase Material Department and to the receiving material areas in TANAC Units of Montenegro and Rio Grande.

3. DISTRIBUTION AND RESPONSABILITIES

A TANAC appointed the director representative – RD to be responsible for the organization's conformity with all applicable requirements of this standard. The others responsibilities are described on procedures and technical standards of Chain of Custody System of TANAC.

Table 1 – Activities areas

Purchase Material Department
Logistics Department
Production Department
CSQA
Tanac S. A. Administration - Rio Grande
Chip Industrial Unit
Pellets Industrial Unit

4. DEFINITIONS

Complaint: an expression of dissatisfaction provided in writing and supported by facts by a third party in relation to the organization's conformity with this standard. (Fonte: FSC-STD-01-001 V5-0).

Control measure (CM): An action that the organization shall take in order to mitigate the risk of sourcing material from unacceptable sources.

Controlled material: Input material supplied without an FSC claim, which has been assessed to be in conformity with FSC Controlled Wood requirements according to the standard *FSC-STD-40-005 V3-0 Requirements for Sourcing FSC Controlled Wood*. (Source: *FSC-STD-40-004 Chain of Custody Certification*)

CTNBio: National Technical Biosafety Committee.

Customary rights: Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit (Fonte: FSC-STD-01-001 V5-0).

Dangerous labour: work that requires the contact with explosive substances, inflammable and with electricity that exposes the worker to a big risk. (NR 16, MTE).

Due diligence system (DDS): A system of measures and procedures to minimize the risk of sourcing material from unacceptable sources. A DDS usually contains the following three elements: obtaining information, risk assessment, risk mitigation.

Family farming: includes all family-based agricultural activities, and it is linked to several areas of rural development. Family farming is a means of organizing agricultural, forestry, fisheries, pastoral and aquaculture production which is managed and operated by a family and predominantly reliant on family labour, including both women's and men's (FAO, 2014).

Forced labour/Slavery: refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities (Source: ILO). Any work that an individual has to do under threaten of some punishment and for what he/she has not been volunteered presented (ILO Convention 29). There are four forms of liberty limitation: servitude by debt, documents retention, and difficult access to the work area and presence of guards armed.

Forest conversion: Removal of natural forest by human activity, without subsequent regeneration.

FSC Controlled Wood: Material or product with the FSC Controlled Wood claim.

GMO's - genetic modified organisms: an organism in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination. (Source: *Based on FSC-POL-30-602 FSC Interpretation on GMO (Genetically Modified Organisms)*).

High Conservation Value (HCV): Any of the following values:

HCV 2 - Landscape-level ecosystems and mosaics. Intact forest landscapes and large landscape-level *ecosystems** and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.

HCV 3 - Ecosystems and habitats. Rare, threatened, or endangered ecosystems, *habitats** or *refugia**.

HCV 4 - Critical ecosystem services. Basic *ecosystem services** in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.

HCV 5 - Community needs. Sites and resources fundamental for satisfying the basic necessities of local communities or *Indigenous Peoples** (for example for livelihoods, health, nutrition, water), identified through engagement with these communities or Indigenous Peoples.

HCV 6 - Cultural values. Sites, resources, habitats and *landscapes** of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples. (Fonte: FSC-STD-01-001 V5-0).

HCV1 - Species Diversity. Concentrations of *biological diversity** including endemic species, and rare, *threatened or endangered** species, that are significant at global, regional or national levels.

ILO: International Labour Organization.

INCRA: National Institution of Colonization and Agrarian Reform.

Indigenous Peoples: People and groups of people that can be identified or characterized as follows:

- Conservation organizations, for example environmental NGOs
 - Distinct language, culture and beliefs
 - Distinct social, economic or political systems
 - Experts on particular issues, for example High Conservation Values (*Source: FSC 2011*)
 - Form non-dominant groups of society
 - FSC National Offices
 - Historical continuity with pre-colonial and/or pre-settler societies
 - Human rights organizations, for example social NGOs
 - Labor (rights) organizations, for example labor unions
 - Local development projects
 - Local governments
 - National government departments functioning in the region
 - Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities. (Fonte: FSC-STD-01-001 V5-0).
 - Strong link to territories and surrounding natural resources
 - The key characteristic or criterion is self-identification as Indigenous Peoples at the individual level and acceptance by the community as their member

Interested stakeholder: Any person, group of persons, or entity that has shown an interest, or is known to have an interest, in the activities of a Management Unit. The following are examples of interested stakeholders.

Legal status: The way in which the Management Unit is classified according to law. In terms of tenure, it means the category of tenure, such as communal land or leasehold or freehold or State land or government land, etc. (Fonte: FSC-STD-01-001 V5-0).

Local communities: Communities of any size that are in or adjacent to the Management Unit, and also those that are close enough to have a significant impact on the economy or the environmental values of the Management Unit or to have their economies, rights or environments significantly affected by the management activities or the biophysical aspects of the Management Unit (*Source: FSC 2011*).

Low risk area: An area where low risk for sourcing material has been identified through a risk assessment process.

Low risk: A conclusion, following a risk assessment, that there is negligible risk that material from a specific geographic area originates from unacceptable sources. (Source: *FSC-PRO-60-002a FSC National Risk Assessment Framework*)

MTE: Labor Department.

National risk assessment (NRA): An assessment of the risk of sourcing from unacceptable sources in a given country/region, conducted according to *FSC-PRO-60-002 The Development and Approval of Controlled Wood National Risk Assessments*. (Source: *FSC-PRO-06-002 The Development and Approval of Controlled Wood National Risk Assessments*), in this case, FSC – FSC CW-RA-020 BRA V1-0.

NOTE: FSC interprets low risk to be consistent with negligible risk as per the EU Timber Regulation.

Precautionary approach: An approach requiring that when the available information indicates that management activities pose a threat of severe or irreversible damage to the environment or a threat to human welfare, The Organization will take explicit and effective measures to prevent the damage and avoid the risks to welfare, even when the scientific information is incomplete or inconclusive, and when the vulnerability and sensitivity of environmental values are uncertain (Source: *Based on Principle 15 of Rio Declaration on Environment and Development, 1992, and Wingspread Statement on the Precautionary Principle of the Wingspread Conference, 23–25 January 1998*).’

Quilombola: black slaves descendents whom antecessors have escaped from the engines forming groups of refugees called *quilombos*.

Rights of tenure: The way in which the Management Unit is classified according to law. In terms of tenure, it means the category of tenure, such as communal land or leasehold or freehold or State land or government land, etc. If the Management Unit is being converted from one category to another (for example, from State land to communal indigenous land) the status includes the current position in the transition process. In terms of administration, legal status could mean that the land is owned by the nation as a whole, is administered on behalf of the nation by a government department, and is leased by a government Ministry to a private sector operator through a concession (Source: *FSC 2011*).

Risk assessment: An assessment of the risk of sourcing material from unacceptable sources, including risk related to origin and mixing material in supply chains.

Rural settlement: is the set of independent agricultural units defined by a Brazilian Governmental Office (INCRA).

Specified risk: A conclusion, following a risk assessment conducted according to *FSC-PRO-60-002a FSC National Risk Assessment Framework*, that there is risk which cannot be determined as low that forest products from unacceptable sources may be sourced or enter the supply chain from a specific geographic area. The nature and extent of this risk is specified for the purpose of defining efficient control measures. (Source: *FSC-PRO-60-002a FSC National Risk Assessment Framework*)

Sub-supplier: Individual, company or other legal entity providing material to a supplier, or another sub-supplier.

Supplier: Individual, company or other legal entity providing material to the organization.

Supply area: The geographical area from which material is sourced. The supply area does not need to be defined as a single contiguous area; it may comprise multiple separate areas that span multiple political jurisdictions including countries or multiple forest types.

Supply unit: Forest with clearly defined boundaries that is managed to a set of forest management objectives. It includes all facilities and areas within or adjacent to these spatial areas that are under legal title or management control of, or operated by or on behalf of, the forest manager for the purpose of contributing to the management objectives.

The Organization: The person or entity holding or applying for certification and therefore responsible for demonstrating compliance with the requirements upon which FSC certification is based (*Source: FSC 2011*).

Threat: An indication or warning of impending or likely damage or negative impacts (*Source: Based on Oxford English Dictionary*).

Traditional peoples: Traditional peoples are social groups or peoples who do not self-identify as Indigenous and who affirm rights to their lands, forests and other resources based on long established custom or traditional occupation and use (*Source: Forest Peoples Programme (Marcus Colchester, 7 October 2009)*).

Unassessed area: Area that is not covered by an FSC risk assessment.

Unhealthiness labour: work that requires the exposition to the chemical, physical or biological agents that prejudice the health. (NR 16, MTE).

Unspecified risk: A conclusion, following an NRA conducted according *FSC-PRO- 60-002 V2-0* or a simplified risk assessment, that there is risk which cannot be determined as low that forest products from unacceptable sources may be sourced or enter the supply chain from a specific geographic area.

Workers: All employed persons including public employees as well as 'self-employed' persons. This include part-time and seasonal employees, of all ranks and categories, including laborers, administrators, supervisors, executives, contractor employees as well as self-employed contractors and sub-contractors (*Source: ILO Convention C155 Occupational Safety and Health Convention, 1981*).

5. COMPLEMENTARY NORMS AND REFERENCES

NT 5210-003-422-6 – Chain of Custody Manual – FSC®

NT 4200-014-741/46-1 – Evaluation of Suppliers and Contractors

NT 2100-004-710-1 – Production programme

NT 5300-001-710-2 – Raw Material and inputs Quality Plan

Tanac Policy to forestry raw materials

ILO Convention 29 - forced or compulsory labour.

ILO Convention 105 – abolition of forced labour

FSC-STD-40-004 – FSC Standard for Company Evaluation of Chain of Custody, version 2.1 and 3.0

FSC-STD – 40-005 – FSC Standard for Company Evaluation of FSC Controlled Wood, Version 3.1

FSC CW-RA-020 BRA V1-2.

Law 8.069, July 13th, 1990 - The Statute of the Child and the Adolescent

Law 11.326, July 24, 2006 – National Police of Family Farming

Interministerial Ordinance number 4/2016 - Consultation of workers on conditions analogous to slavery

ILO - Consolidation of Labour Laws: Title III, Chapter IV – Protection of Minor Labour

6. GENERAL CONDITIONS

The Raw Material Department shall evaluate the producers not-certified by FSC® about the origin of the raw material (bark or wood) sold, following the established procedures in this standard, according standard FSC-STD-40-005 - Standard for Company Evaluation of FSC controlled wood – version 3.0.

7. PROCEDURES AND RESPONSABILITIES

7.1. Informations and Documents Control

Responsibility: Raw material purchase Department

Keep the following information and documents for the minimum period of 5 years:

- The whole origin of raw material received for the organization, giving names of districts and the producers and suppliers;
- Producers documents that confirm the wood origin in the district level;
- Record of the annual sample calculation;
- Record of the producers sorted;
- Record of the check-lists used on the field evaluation.
- Record of Due Diligence Report.
- Record of all demands, complaints received and the follow up until the resolution, if necessary.

7.2. Publicly available information

The written summary about the DDS shall be available including the following information:

- A description of the supply area(s) and respective risk designation(s) specified by National Risk Assessment (FSC CW RA 020 BRA V1-2);
- The procedure for filing complaints and contact information of responsible area to receive and filling complaints and demands;
- For material sourced from areas not designated as low risk for the origin of material, the written summary of the DDS shall also include:
 - The control measures implemented by TANAC, in this case the supplier qualification documents and the results of evaluations carried in the field through sampling.
 - If necessary, the measures to mitigate some no conformity found through field evaluation shall be presented (excluding confidential information).

Note: If necessary carry out some stakeholder or expert to mitigate some no conformity found to categories 2 and 3, the results of consultation shall be available on written summary.

7.3. Stakeholder input and complaints

The TANAC, through the NT 3200-010 – Stakeholders communication, receive and filling the complaints related to the no certified suppliers or related to the supply areas.

7.4. DDS – Due Diligence System

Responsibility: Raw material purchase Department

The DDS of TANAC covers the information about the raw material supply, the use of National Risk Assessment (FSC – FSC CW-RA-020 BRA V1-2) and the mitigation actions through controle measures.

7.4.1. Information on Raw material supply

To supply raw material for TANAC, the producer/supplier shall comply with the requirements “Qualification of Producer/Supplier of Forest Raw Material – CoC”. The TANAC team will explain (to the applicant suppliers) the requirements (“Procedures for the supply of raw material: wood or “Procedure for the supply of raw material to Family Farmer”) and collect the evidences and documents. At this moment, TANAC presents the required procedures to the supply wood. Besides that the supplier shall assign the “Supplier Declaration of Conformity”.

Supplier Informations:

The following suppliers information shall be obtain, document and maintain up-to-date:

- Names and addresses of suppliers;
- Description of the material;
- Quantity of the material purchased by volume or weight;
- Qualification documents assigned
- Purchase contract

Note: the qualification documents are:

- Supplier/Producer Qualification Template;
- Supplier Declaration of Conformity.
- Raw material supply procedure - CoC
- Procedure for the supply of raw material to Family Farmer

- Procedure for the supply of raw material - wood

Raw material source and NRA application

TANAC uses the National Risk Assessment (FSC CW RA 020 BRA V1-2) to all supply areas (bark and wood). This NRA was approved on January, 2015, where the risk categories are described. After obtaining suppliers information, TANAC shall identify the supply areas of wood with a homogeneous risk designation according to NRA. This designation may be carried on excel sheet. To each area designated, TANAC shall verify the risk category specified by NRA by wood category.

7.4.2. Risk Mitigation

The supply area of TANAC has different levels of risks by controlled wood and bark category. In most part, the risk is classified by NRA as unspecified and specified, for this reason TANAC has control measures as follow:

a) Qualification documents

During the initial process of qualification (see 7.4.1), is possible verify previously if the supply unit meet the established requirements to supply. If does not meet the requirements, the supplier is not able to supply the raw material to TANAC.

b) Field Evaluation on unit supply

To verify work's conditions on unit supply, twice a year after the beginning of harvesting activities.

Note: to farm family is not applicable.

c) Formal Contracts between TANAC and supplier/producer with the requirements.

d) Supplier Declaration of Conformity assigned.

e) Expert consultation

In case of any situation of no conformity according categories 2 and 3, TANAC shall conduct a consultation with at least one expert to verify the adequacy of control measures. This expert shall comply the requirements of annex C of FSC STD 40 005 V3-1.

f) Field Evaluation thought sampling and stakeholders consultation (neighbours and communities)

To the field evaluation TANAC use, as precautionary approach, the total number of suppliers to the sampling, even if the risk of the supplier has been classified as low by the NRA. To the sampling, TANAC uses following (according to FSC STD 20-011 V1-1):

$$N = 0,8 \times \sqrt{\text{number of producer/supplier}}$$

- The sampling for the assessment will be taken from the list of the producers that had supplied raw material for the TANAC on the year before (January to December).
 - The formula shall be applied by each one of the regions (determined by the NRA). The interviews will be accomplished on the field with at least one worker by property. The sampled producer/supplier shall be in activity in the evaluation period. If he is not, it shall be selected the next producer in activity on the list.
 - The sample calculation, the sorting of the producers and the field assessment will be accomplished by one professional of TANAC trained by the Raw Material Department.
- To the suppliers that were selected to the field audit, should be used the “**Raw Material Producer Evaluation – Chain Custody – (Field Audit)**”.

7.4.3. Methodology and criterias to producers/suppliers evaluation

All the producers/suppliers selected on sampling will be evaluated through “Raw Material Producer Evaluation”. This document will be applied on field according requirements and concepts described below:

1. Illegally Harvested Wood

Indicator 1: Evidence of enforcement of logging related laws in the supply area.

This indicator analyzes the existence of laws related to logging in the supply area. Logging related laws are defined by FSC’s ‘Minimum list of applicable laws’.

Indicator 2: Legality of haversts wood purchase in the supply area.

This indicator examines the government’s ability to license and control forest logging as well as supervises and monitors the transportation and purchase of wood in the consumer market. Federal and state legislation covering licensing of forestry activities and the state system for granting wood logging, sale and transportation licenses was researched.

Indicator 3: Illegal harvesting in the supply area

This indicator examines whether there is occurrence of illegal logging. The case of plantations located in Permanent Preservation Areas (PPA), a special permit for the removal of wood and the submission of a recovery plan for such areas are required.

2. Wood Harvested in Violation of Traditional and Civil Rights

Indicator 1: UN Security Council ban on timber exports from the country concerned.

This indicator assesses whether the country has embargoes from the UN Security Council on timber export. This indicator was specified by NRA as LOW RISK.

Indicator 2: Source of conflict timber.

Conflict timber” is defined as “timber that has been traded at some point in the chain of custody by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives. This indicator was specified by NRA as LOW RISK.

Indicator 3: Child labor or violation of ILO Fundamental Principles and Rights at Work

This indicator assesses the existence of child labor or infringement of the Fundamental Principles and Rights at Work defined by the International Labour Organization in planted forest areas.

Indicator 4: Conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the supply area

The analysis of this indicator included the search and verification of legal protection of use rights, cultural rights or cultural traditional identity rights of traditional communities.

3. Wood harvested in forests in which High Conservation Values are threatened by Management Activities

Indicator 1: Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high conservation value.

This indicator assesses whether forest enterprises containing species planted for commercial purposes containing or located near HCV offer risk to the conservation and maintenance of these attributes.

Indicator 2: System of protection (effectively protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion

This indicator consider the scope of legislation covering the nature protection (conservations units, protected areas, indigenous lands and quilombolas lands) as well as effectiveness of protection for maintenance of high conservation values.

4. Wood Harvested in Forests being Converted to Plantations or Non-Forest Use

According to the FSC-CW-RA-020-BRA V1-2, this criteria is not applicable to the forest plantations.

5. Wood from Forests in which Genetically Modified Trees are Planted

There is no commercial use of genetically modified trees of the species concerned taking place in the country. This indicator was specified by NRA as LOW RISK.

7.4.4. DDS - Internal Audits

TANAC shall review, and if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness or adequacy of the DDS. This review shall be accomplished by anual internal audit.

a) Scope of Internal Audit of DDS

The review of any changes in risk assessment (NRA), FSC standards and a review of the organization's control measures.

b) Staff involved in Internal Audit

A team, with knowledge of applicable standards and not envolved directly on raw material supply process shall be responsible by checking documents and verification of DDS system. This team is under the responsibility of the Department of Quality Management System Coordination and Environment.

c) Audit

During the audit, once a year, the following documents shall be checked:

- Procedures and technical standards of TANAC;
- Purchase contracts between TANAC and suppliers/producers;
- Number of suppliers/producers to be visited and sampling value;
- Qualification documents of suppliers/producers according the sampling numbers;
- Verification of field documents and the evidences;
- Written summary of DDS.

If during the audit some no conformity is found, it shall be corrected withing 12 months since your finding.

Rev.	DATE	RESPONSIBLE	OBSERVATIONS
0	07/01/08	Carlos Gilberto Silva	- TN General Review and approval
1	14/06/10	Decionir Oliveira da Luz	- TN General Review including amendments on the evaluation system
2	14/10/11	Decionir Oliveira da Luz	- TN General Review with update of laws in the indicator 4 and exclusion of entity SGS on 7.2.2.2.
3	30/01/12	Decionir Oliveira da Luz	- Exclusion of number of regions on 7.2.1. and inclusion of improvements on text of Technical Norm.
4	26/02/16	Decionir Oliveira da Luz	- General review according with new standard - FSC STD 40 005- V3-0.
5	23/11/16	Decionir Oliveira da Luz	- Adjusting and amending the items 7.4.1 and 7.4.2. - Review according with the new standard – FSC STD 40 005- V3-1
6	13/04/17	Decionir Oliveira da Luz	- Technical norm review according new revisions of standards Chain of Custody, FSC Controlled wood and National Risk Evaluation.
7	13/04/18	Decionir Oliveira da Luz	- Change of scope – the bark was removed.

ANNEX 2: Raw Material Producer Evaluation – Chain Custody – (Field Audit)

TANAC		PRODUCER/SUPPLIER EVALUATION – COC	
Species: () Acacia			
Producer's Name:			
Address:		Region:	
Product: () Bark () Wood		Family farmer: () yes () no	
1. Illegally Harvested Wood			
Indicator 1: Evidence of enforcement of logging related laws in the supply area.			
<i>Information</i>	<i>Compliance</i>	<i>Evidences</i>	
A) The producer has the Bill of Sale and/or the Producer Invoice, land tenure right or other formal document that prove the right to manage the area.	() Yes () No	- Updated documentation of property (land registry) OR - Rental agreement or Purchase agreement or Partner agreement. AND - Bill of sale AND/OR - Official similar documents that prove the tenure right.	
B) The producer has a registry (updated) at the State Forest Department.	() Yes () No	- Updated documentation on a State Forest Department.	
C) Does the area has the rural environmental register implemented?	() Yes () No	- Rural Environmental Register document.	
D) The property limits are maintained and defined, there is no conflicts.	() Yes () No () Not applicable	Field verification. E - Report of surrounding neighbour, if exist. In this case, make a note the name of neighbour.	
E) On the property was evidenced the bribery absence and/or corruption absence on licenses or documents.	() Yes () No	- Reports and articles about corruption on licenses and documents issuing (in the last year).	

F) The Permanent Preservation Areas (PPA) defined by law are being respected.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<ul style="list-style-type: none"> – Field verification. <p>AND</p> <ul style="list-style-type: none"> – Owner statement. – Forestry register – SEMA - RS <p>OR</p> <ul style="list-style-type: none"> - Negative Certificate – IBAMA. <p>OR</p> <ul style="list-style-type: none"> – Environmental Rural Register - CAR. <p>OR</p> <ul style="list-style-type: none"> – Recent Infraction notice or consult the competent environmental agency.
G) It was evidenced that does not exist payment of worker debts with work.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<ul style="list-style-type: none"> – Field verification, worker interview. <p>AND/OR</p> <ul style="list-style-type: none"> – Document that proves the salary payment – In case of family farmer, it is not applicable.
H) The harvesting workers receive the salary on time, according the contract signed by the employer.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<ul style="list-style-type: none"> – Field verification, worker interview. <p>AND/OR</p> <ul style="list-style-type: none"> – Document that proves the salary payment – In case of family farmer, it is not applicable.
I) The work card (CTPS) of harvesting workers is with the worker and noted by the employer.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<ul style="list-style-type: none"> – Worker interview. – In case of family farmer, it is not applicable.
J) The worker has the knowledge of labor unions and/or freedom of association.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<ul style="list-style-type: none"> – Worker interview.
K) The harvesting workers received the legally required personal protection equipment (PPE) for the activities.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<ul style="list-style-type: none"> – Delivery list of PPE's completed and signed by the worker. <p>AND</p> <ul style="list-style-type: none"> – Worker interview. – In case of family farmer, it is not applicable.
L) The harvesting workers are using the legally required personal protection equipment (PPE) for the activities.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	<ul style="list-style-type: none"> – Worker interview. – In case of family farmer, it is not applicable.
M) The harvesting workers received specific training for the activities (chainsaw and machine operators).	<input type="checkbox"/> Yes <input type="checkbox"/> No	<ul style="list-style-type: none"> – Worker interview. – Training certificates
N)The health certificates are updated and available for verification.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<ul style="list-style-type: none"> – Certificates – Worker interview. – Training certificates

O) The Environmental Risk Prevention Program (ERPP) is updated and available for verification.	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	– Updated Environmental Risk Prevention Program – Worker interview. – In case of family farmer, it is not applicable.
P) The Occupational Health and Safety Program is updated and available for verification.	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	– Updated Occupational Health and Safety Program – Worker interview. – In case of family farmer, it is not applicable.
Q) There is the Internal Commission for Accidents Prevention – CIPA established.	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	– Internal Commission for Accidents Prevention document – Worker interview. – In case of family farmer, it is not applicable.
R) The negative certificate (infractions) is updated and available for verification.	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	- Reports and articles about corruption on licenses and documents issuing. - Updated negative certificate.
S) The safe water and suitable food are available in adequate quantities.	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	– Field verification, worker interview.

Indicator 2: Legality of haversts wood purchase in the supply area.

<i>Information</i>	<i>Compliance</i>	<i>Evidences</i>
A) Was evidenced the purchase document for wood/bark and is it according to the transported quantity?	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	– Invoices issued by the producer/supplier visited (species, quantity)
B) Was evidenced conservation of native species in the areas of harvesting acacia, if any?	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	– Field verification
C) In harvesting areas, soil and roads are conserved?	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	– Field verification
D) The waste from harvesting areas are being disposed correctly.	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	– Field verification and worker interview.

Indicator 3: Illegal harvesting in the supply area

<i>Information</i>	<i>Compliance</i>	<i>Evidences</i>
A) It was evidenced permission to remove acacia in permanent preservation areas (PPA), if any?	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	– Field verification OR - Permission by competente environmental agency

2. Wood Harvested in Violation of Traditional and Civil Rights

Indicator 1: UN Security Council ban on timber exports from the country concerned This indicator was specified by NRA as LOW RISK.

Indicator 2: Source of conflict timber. This indicator was specified by NRA as LOW RISK.

Indicator 3: Child labor or violation of ILO Fundamental Principles and Rights at Work

<i>Information</i>	<i>Compliance</i>	<i>Evidences</i>
A) In the harvesting areas all the workers have more than 18 years old?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	– Field verification and worker interview. AND - Harvesting Worker contract. AND - Contract between TANAC and Supplier with clauses prohibiting workers with less than 18 years old. OR - Other documents that proves the age of workers.
B) Are there pregnant women performing dangerous, unhealthy and hard work?	<input type="checkbox"/> Yes <input type="checkbox"/> No	- Field verification AND - Worker interview

C) It was evidenced the absence of producer/supplier on official slave labor list.	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No	- Up to date Slave Labour list. (Official Labor Department)
D)In the harvesting areas was evidenced free movement of workers without difficulty in access to the workplace and there is no armed guards.	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No	- Field verification AND - Worker interview.
Indicator 4: Conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the supply area.		
Information	Compliance	Evidences
A) If the supply area (property) is in an area that belongs to quilombola or indigenous people, it was evidenced that the producer/supplier is a quilombola or indigenous people and/or there is a formal agreement to manage the area.	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	- Field verification AND - Formal agreement between the quilombola and the manager.
B)The supply unit is surrounding to the quilombola/indigenous area and there is no conflict evidenced?	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	- Field verification AND - Interviews with surrounding communities.
C)It was evidenced the absence of land claims by the traditional surrounding communities?	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	- Field verification AND/OR - Interviews with surrounding communities. AND/OR - Land documents or other pertinent documents.
D)If the supplier/producer area belongs to a formalized settlement, the supplier/producer is whom lives in settlement?	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	- Field verification AND/OR - Official list of settlements (INCRA) AND/OR - Interviews with surrounding communities.
E) If the supplier/producer area belongs to a formalized settlement and this area is rented by the manager, is there formal document of property and rental agreement?	(<input type="checkbox"/>) Yes (<input type="checkbox"/>) No (<input type="checkbox"/>) Not applicable	- Land document in name of the owner (that lives in settlement) AND - Official list of settlements (INCRA) AND - Rental agreement between the owner and manager.

3. Wood harvested in forests in which High Conservation Values are threatened by Management Activities.		
Indicator 1: Forest management activities in the relevant level do not threaten eco-regionally significant high conservation value.		
Information	Compliance	Evidences
A)The supply unit are inserted in areas or in buffer zones where the high conservation values were identified regionally. It was evidenced the absence of threat in these areas by the harvesting activities?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	- Field verification - Documental verification (Conservation Units, protected areas by law, including indigenous and quilombolas areas).
Indicator 2: System of protection (effectively protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion		
Information	Compliance	Evidences
A)In the harvesting areas, the native areas, streams and rivers are being respected?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	- Field verification.
4. Wood Harvested in Forests being Converted to Plantations or Non-Forest Use – Not Applicable		
5. Wood from Forests in which Genetically Modified Trees are Planted - LOW RISK		
Name and signature (field inspector):		Date:

- **YES** – is in accordance with the requirements of TANAC Technical Standard
- **NO** – is not in accordance with the requirements of TANAC Technical Standard
- **NO APPLICABLE** – is not applicable to this supplier unit.

ANNEX 3: Stakeholders consultation – Wood controlled supply

TANAC S. A. (units Tannin and Chip) located in Montenegro and Rio Grande cities, Rio Grande do Sul, Brazil adopts to the planning and implementing of forests management activities the following criterias:

- Purchase forest raw materials from sources certified by the FSC® - Forest Stewardship Council®.
- Purchase forest raw materials from controlled sources according to FSC-defined standards, avoiding the purchase of raw materials from unacceptable sources. The five categories of unacceptable sources are:
 - 1) Illegally harvested wood.
 - 2) Wood harvested in violation of traditional and human rights.
 - 3) Wood from forests in which high conservation values are threatened by management activities.
 - 4) Wood from forests being converted to plantations or non-forest use.
 - 5) Wood from forests in which genetically modified trees are planted.

TANAC uses around 45% of non-certified wood from suppliers located in the Metropolitan Porto Alegre, Eastern Center, Northeast and Southeast regions of the state of Rio Grande do Sul. According Requirements for Sourcing FSC® Controlled Wood, TANAC requests your participation through the questions described below. The comments will be disclose only with the previous consent. TANAC appreciates your important collaboration.

Name:	
Relation (institution, neighbour, partner):	
Responsability:	
E-mail or adress:	
Telephone number:	Locality/city:

1. Do you know the Company TANAC?

() Yes () No

Comments: _____

2. Do you know about FSC® Chain of Custody, have you heard about the Controlled Wood?

() Yes () No

Comments: _____

3. Do you know any TANAC supplier who performs harvesting in areas where there is some land conflict?

() Yes () No

Comments: _____

4. Do you know any TANAC supplier who uses child labor or does not comply with any labor law?

() Yes () No

Comments: _____

5. Do you know about any TANAC supplier in areas belonging to quilombolas or indigenous lands?

() Yes () No

Comments: _____

6. Do you know the meaning of High Conservation Value?

() Yes () No

IF YES, do you know if any TANAC supplier areas whose forest management threatens these areas?

() Yes () No

Comments: _____

7. Do you know of any supplier area of TANAC whose areas of Permanent Preservation (PPA), Native Vegetation, Legal Reserve are being affected by the harvesting of wood / bark?

() Yes () No

Comments: _____

8. Do you have any comment about the wood and bark supply to TANAC?

() Yes () No

Comments: _____

9. Do you allow the publication of your comments (without naming names) in TANAC reports?

() Yes () No

Comments: _____

Signature: _____

Date: ____ / ____ / ____

Feedback (to Tanac): _____

Thanks for your participation!

***Please forward / return this consultation by mail or email to the following address:
TANAC S / A - Torbjorn street Weibull, 199. Montenegro, RS - CEP 95.780-000
Email: materiaprima@tanac.com.br***