

Does WILFRIED HEINZEL AG meet FSC's Controlled Wood standard?

26.03.24

We are carrying out an audit of Wilfried Heinzl AG and supplier Bracell SP located in Brazil in Mato Grosso do Sul, Goias, Minas Gerais and Sao Paulo, Brazil to see if their operations comply with FSC's [Controlled Wood](#) standard (FSC-STD-40-005 V3-1). We are writing to you to ask if you know of any reason why their operations would not meet this standard.

Controlled Wood is wood that meets minimum requirements and that can therefore be mixed with FSC wood and used in products with an FSC Mix label. In particular, the wood must not be:

- harvested illegally.
- harvested in violation of traditional and civil rights.
- harvested from forests with a high conservation value that is threatened by management activities.
- harvested from forests being converted to plantations or non-forest use.
- from forests in which genetically modified trees are planted.

We will carry out our audit on March 18 – 26, 2024. Here is how you should comment, if you wish to do so:

- When? You should send comments to us before or during the audit.
- How? You can comment by
 - Meeting with a Preferred by Nature staff member in person.
 - Phone to [Michael Kutschke], or [Lennart Holm], Preferred by Nature staff from [Germany or/and Portugal]. Their phone numbers are +49 176 90948964, + 351 235 712 051
 - Writing to Preferred by Nature OÜ, Filosoofi 31, 50108 Tartu, Estonia
 - Email to Michael Kutschke at mkutschke@preferredbynature.org or Lennart Holm at lholm@preferredbynature.org
 - In person by arranging to meet with Michael Kutschke, or Lennart Holm
- If you want your comments to be confidential please notify us when you submit the comments.

If you provide comments, we will provide feedback to you within 30 days of the audit.

Wilfried Heinzl AG has written a summary document that lists:

- the risks they have identified that they may source unacceptable wood
- the measures they implement to mitigate those risks.

We have attached this summary document to this letter.

If you wish to dispute any aspect of this forest certification process or the decision we reach as to whether this company meets the Controlled Wood standard, you can access our Dispute Resolution Policy at <https://preferredbynature.org/dispute-resolution-policy>

Thank you for any help you are able to provide.

If you have any recommendations for contacting other stakeholders that may have an interest in providing comments on this company and audit, we would also gladly receive these from you.



Yours sincerely,

Michael Kutschke

A Wilfried Heinzl AG atende aos requisitos da norma FSC de madeira controlada?

26.03.2024

Nossa empresa irá auditar um fornecedor da Wilfried Heinzl AG, a Bracell localizada no Brasil, estado de São Paulo, que tem suas operações presentes nos estados de Goiás, Minas Gerais, Mato Grosso do Sul e São Paulo. Nosso intuito é verificar se a Bracell SP opera de acordo com o padrão FSC-STD-40-005 V3-1 – Requisitos para Fornecimento de Madeira Controlada FSC. Estamos entrando em contato com você para perguntar a respeito da atuação da Bracell em relação ao atendimento dos requisitos dessa norma, se existe alguma situação que possa ser considerada como um não atendimento.

A Madeira Controlada deve atender a alguns requisitos mínimos para poder ser adicionada à madeira certificada FSC em produtos que contém o selo FSC misto.

A Madeira Controlada não deve ser:

- Explorada ilegalmente;
- Explorada em situação de violação dos direitos tradicionais e humanos;
- Oriunda de florestas nas quais altos valores de conservação estejam sendo ameaçados por atividades de manejo;
- Oriunda de florestas sendo convertidas em plantações e uso não-florestal; e
- Proveniente de florestas nas quais árvores geneticamente modificadas sejam plantadas.

Seus comentários podem ser enviados antes ou durante a auditoria que acontecerá no período de 18 a 26 de março de 2024. Veja abaixo como entrar em contato conosco caso esteja interessado em dar sua opinião ou fazer uma queixa sobre as atividades da Bracell SP:

- Runindo-se com um funcionário da Preferred by Nature.
- Ligando para Michael Kutschke (apenas em inglês) funcionário da empresa Preferred by Nature na Estonia por meio do telefone número +49 17690948964 ou para Lennart Holm (português e inglês), + 351 965454599
- Cartas para Michael Kutschke, NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
- E-mail para mkutschke@preferredbynature.org ou lholm@preferredbynature.org
- Pessoalmente durante a auditoria, entrando em contato com o auditor Lennart Holm

Manteremos confidencialidade a seu critério, basto nos nos informar quando entrar em contato conosco.

Mensagens serão respondidas dentro de 30 dias.

Estamos enviando em anexo, um documento escrito pela Wilfried Heinzl AG que inclui:

- Avaliação dos riscos de fornecer madeira inaceitável
- Medidas implementadas para mitigar esses riscos

Se você deseja contestar qualquer aspecto desse processo de certificação florestal ou nossa decisão quanto a se essa empresa atende ou não aos requisitos do padrão de Madeira Controlada, acesse nossa política de resolução de disputas através do site www.preferredbynature.org.



Obrigada pela sua colaboração.

A indicação de outros skaholders que possam estar interessados em nos dar sua opinião será bem vinda.

Atenciosamente,

Michael Kutschke

Description of the Due Diligence System, including information provided by the organisation according to FSC-STD-40-005 V3-1, Section 6

1. General information

Organisation name:	Wilfried Heinzl AG
FSC certificate code:	NC-COC-072222 / NC-CW-072222
Organisation's DDS contact person:	Niels Fokke
DDS prepared/assisted by:	Neocert Certificações Florestais e Agrícolas Ltda. <i>(DDS was developed with the assistance of an external organisation)</i>
Date last reviewed/updated (by the organisation):	March 10 th , 2024

2. Suppliers

Participating site	Non-certified material type sourced	Exact number of suppliers	Supplier type(s)	Average no. of tiers in the supply chains	Approximate or exact number of sub-suppliers
<i>Name of organisation's site. Name of organisation's site. All applicable sites shall be included.</i>	<i>Describe the type of product supplied e.g. logs, sawn logs, chips, wood pulp, etc.</i>	<i>Number of suppliers directly supplying material to the site</i>	<i>E.g. Forest management enterprise, Broker/trader without physical possession, Primary processor, Secondary processor, Distributor/wholesaler.</i>	<i>Average number of organisations within the supply chains, from forest to suppliers.</i>	<i>Total number of organisations that are sub-suppliers (indirect suppliers, or suppliers of your direct suppliers) within all supply chains</i>
Bracell SP Celulose Trading FZCO	Pulp	1	Trader without physical possession	3	1
Bracell SP Celulose Ltda.	Pulp	1	Primary processor (Pulp mill)	2	494 (since December 2021)
Forest suppliers	Eucalyptus logs	Aprox. 20 farms/month	Forest management	1	0

3. Supply areas

Supply area	Controlled wood category	Reference to risk assessment used	Risk designation
São Paulo, Mato Grosso do Sul, Goiás and Minas Gerais states of Brazil	1	FSC-NRA-BR V1	Specified risk
	2	FSC-NRA-BR V1	Specified risk
	3	FSC-NRA-BR V1	Specified risk
	4	FSC-NRA-BR V1	Low risk
	5	FSC-NRA-BR V1	Low risk

4. Risk assessment and mitigation

4.a Risk mitigation for the origin of the material

Supply area:		
Indicator	Control Measures	Findings from field verification if undertaken as a control measure
Controlled wood category 1. Illegally harvested wood		
1.1	<p><i>M (Mandatory) - Check documentation that guarantees land ownership / possession and use, as for example these: registration of the property and contract for the purchase and sale of wood;</i></p> <p><i>R (Recommended) - Consult reports relevant to the subject, such as the Pastoral Commission of Land (CPT) and others, to verify if CW suppliers are not involved in land disputes;</i></p> <p><i>R - Consult with affected and/or interested stakeholders to verify the inexistence of conflicts;</i></p>	<p><i>During the registration of supply areas, the company obtains the registration of the property.</i></p> <p><i>If this is not in the name of the wood supplier, the contract between the owner and the supplier is requested. These registrations are available at the company's legal department and were reviewed by the Neocert team during the internal audit. All are complying.</i></p> <p><i>Consultation was carried out on the CPT report considering the municipalities in the region and no evidence of conflict was evidenced. The stakeholder consultation also did not receive any worrisome response on the subject.</i></p>
1.2	N/A	-
1.3	N/A	-
1.4	Low risk	-

1.5	N/A	-
1.6	<p><i>M – Verify the existence of sales documents showing the products and volumes, can be used for example invoices, sales contracts, among others.</i></p> <p><i>M – Request debt clearance certificate from suppliers, at federal, state and/or municipal levels.</i></p>	<p><i>All wood entries are accompanied by a CTM transport guide (timber transport certificate) approved by the special regime of the São Paulo Department of Finance.</i></p> <p><i>Wood from the state of MS is transported with a “Nota Fiscal” (an invoice in the national market).</i></p> <p><i>The issuance of CNDs for each supplier was issued by the Neocert team in the beginning and after that by Bracell's team.</i></p>
1.7	Low risk	-
1.8	N/A	-
1.9	<p><i>M - Confront controlled wood supply areas in relation to conservation units and / or buffer zones to verify possible overlaps. To check overlap, maps be can used, for example;</i></p> <p><i>M - In cases where overlap occurs with conservation units and/or buffer zone, evidence of compliance with the management plan of the Conservation Unit - CU (if there's any) must be collected;</i></p> <p><i>M - In cases where the overlap occurs with conservation units and/or buffer zone and there is no management plan for the CU, the consent of the environmental agency/manager of the CU must be sought, when applicable;</i></p> <p><i>M (P) – In cases of overlap of archeological heritage identified with management units, the good management practices shall be confirmed to avoid damage to those values. Examples of good management practices are, but not limited to:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>Soil and water conservation measures, avoiding erosion and damages to those values;</i> <input type="checkbox"/> <i>Tree felling direction control, avoiding damages to those values;</i> <input type="checkbox"/> <i>Planning of the harvesting and transportation aiming to avoid damages to those values;</i> <input type="checkbox"/> <i>Avoid planting near archeological sites, whenever possible.</i> 	<p><i>Bracell's geoprocessing area was used to analyse the overlap of farms with Conservation Units (CU) and their Protective Buffer Zones using a 2 km buffer, and after the implementation of the DDS by Neocert, the buffer for analysis of overlaps changed to 10 km from the supply areas with the inclusion of new shapes to consider the overlap.</i></p> <p><i>All supply areas have a shapefile to facilitate this analysis. In cases of overlap, the CU Management Plans are analyzed. If there is no Management Plan and still there is an overlap with the CU or the Protective Buffer Zone, the permit of the CU's management body is requested.</i></p> <p><i>There was no evidence of overlapping of forest management units with archaeological sites, however, as there are archaeological sites in the region, the forest management operation is carried out with good practices as a precaution. In Neocert's audits, soil conditions are verified and only one erosion situation was found in the first external audit.</i></p>

<p>1.10</p>	<p><i>M – Field verifications to check the conformity of operations with the applicable environmental legislation, paying attention to at least the following situations, but not limited to them:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>Harvest of exotic species in APP and, when applicable, taking into account the conditions of the authorization;</i> <input type="checkbox"/> <i>Soil / road conservation;</i> <input type="checkbox"/> <i>Damage to remaining native vegetation;</i> <input type="checkbox"/> <i>Damage to water resources;</i> <input type="checkbox"/> <i>Compliance with the requirements of the Environmental Impact Study (EIA) related to Controlled Wood, when applicable;</i> <input type="checkbox"/> <i>Proper collection of waste (such as oils, packaging, contaminated material, etc.) generated in harvesting and transportation activities.</i> <p><i>M - Consult the IBAMA website and/or the state environmental organizations to verify the existence of embargoed areas related to the supply of Controlled Wood;</i></p>	<p><i>Bracell's field checks analyze damage to soil, remaining vegetation, water resources and waste collection from the operation.</i></p> <p><i>Annually, Neocert performs an internal audit of the DDS to check these records in the field.</i></p> <p><i>Bracell has a policy of not purchasing wood from permanent preservation areas. Advanced plantations over APP are left behind, not harvested.</i></p> <p><i>During Neocert's audits, no serious situation was found.</i></p>
<p>1.11</p>	<p><i>– Field verifications to check conformity of operations with occupational health and safety legislation, considering at least, but no limited to:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>Appropriate use of individual safety equipment;</i> <input type="checkbox"/> <i>Confirmation that all legally required protection equipment is provided by the organization with no cost for the forestry worker.</i> <input type="checkbox"/> <i>Access to water and food in satisfactory quantity and quality;</i> <input type="checkbox"/> <i>Confirmation that working conditions related to harvest and transportation activities are safe in the management unit for all employees;</i> <input type="checkbox"/> <i>Appropriate transportation conditions;</i> <input type="checkbox"/> <i>Adequate sanitary facilities;</i> <input type="checkbox"/> <i>Adequate housing conditions;</i> <input type="checkbox"/> <i>Training to carry out the activity;</i> <input type="checkbox"/> <i>ASO - Attestation of Occupational Health;</i> <input type="checkbox"/> <i>License to Carry and Use (LPU) of the chainsaw.</i> 	<p><i>The company has 8 operation modules with its own workforce and 1 module conducted by a third-party company. All the transport of wood is carried out by third-party companies, over which Bracell specifically monitors OHS and legal employment. Monitoring checks the use of PPE, safety training and the safety conditions of machinery and equipment, as well as harvesting and transport signals. In general, the harvest is entirely mechanized, with chainsaws being used only in very specific situations, in any case the operators are trained and the chainsaws registered. There are no accommodations in the harvesting and transport operations. The transport and feeding of workers, as well as the restrooms and living areas are also monitored by Bracell and audited by Neocert, in addition to being PEFC certified, which audits the same requirements.</i></p> <p><i>During the pandemic, there was legal permission not to carry out periodic and admission exams, which was verified in Neocert's audits. In this</i></p>

		<i>indicator, non-conformities have already been pointed out.</i>
1.12	<p><i>M – Field verifications to check conformity of workers’ documentation and guarantees of all labor rights, confirming that:</i></p> <p><input type="checkbox"/> <i>All workers are employed according to the regulations and all required contracts/evidence are in place (e.g. payment of fees, working hours, among others);</i></p> <p><input type="checkbox"/> <i>At least the minimum salary or salary compatible with the category, where applicable, is being paid to employees involved in harvesting and transportation activities;</i></p> <p><input type="checkbox"/> <i>The minimum age is observed for all personnel involved in harvesting, transportation or hazardous activities.</i></p> <p><input type="checkbox"/> <i>Labor practices similar to slave labor or labor analogous to slavery are not involved in harvesting or transportation activities.</i></p>	<p><i>All the workers involved in the operation are registered employees of Bracell or subcontractors. On these, Bracell exercises constant HR monitoring.</i></p> <p><i>There are monitoring by Bracell that assess whether workers are registered, benefits and working hours. Issues such as slave and child labor are not part of the company's reality.</i></p>
1.13	<p><i>M – Overlap information to check the existence of traditional communities surrounding the supplying units, such as through maps and other information, using data from official sources such as FUNAI, Palmares Cultural Foundation, Culture Office, IPHAN, local association, among others;</i></p> <p><i>M – Survey of information that indicates the existence or not of conflict, for example:</i></p> <ul style="list-style-type: none"> <i>• Media;</i> <i>• Consultation with stakeholders (NGOs, city halls, unions, public bodies, associations and others)</i> <p><i>M – In the case of evidence of conflict, field checks with the affected communities shall be carried out.</i></p>	<p><i>The company's geoprocessing area overlaps shapes with indigenous lands and quilombola communities (traditional communities), in addition to non-traditional communities. When there is proximity, the social team performs the characterization with the community. The survey of information in the media is carried out by Neocert. The institutions FUNAI, INCRA, IPHAN, and Palmares Foundation are considered essential stakeholders in the consultation processes and, therefore, are consulted annually, even if there is no overlap with communities.</i></p> <p><i>Both the public consultation and the internet searches and field verifications did not indicate any evidence of land conflicts involving the company.</i></p>
1.14	<p><i>M – Using data from public bodies (FUNAI, INCRA, Palmares Cultural Foundation) check if the supply unit is inserted in indigenous or traditional lands legally demarcated.</i></p> <p><i>M – In case the supply unit is inserted in indigenous or traditional lands legally demarcated, check with the responsible bodies (IBAMA, INCRA) to guarantee that the management is being carried out in compliance with legal requirements, including environmental licensing and legal management and tenure rights. (N/A)</i></p>	<p><i>The overlapping of supply area shapes with traditional communities and indigenous lands demonstrates that there is no overlap, making FPIC inapplicable.</i></p>

	<i>M – In case the supply unit is inserted in indigenous or traditional lands legally demarcated and it is in compliance with the law, consult the traditional or indigenous people and the responsible bodies (FUNAI, INCRA, Palmares Cultural Foundation) to guarantee that the FPIC is in place. (N/A)</i>	
1.15	<p><i>M – Carry out the cross-checking of information to verify the existence of indigenous peoples and quilombolas in a range of up to 10 km from the supply units; as for example through maps with data coming from official bodies like FUNAI, Palmares Cultural Foundation or others;</i></p> <p><i>M – If there are indigenous and/or quilombola people identified within a range of up to 10 km from the supply units, consultation with stakeholders (FUNAI, Palmares Cultural Foundation and/or INCRA) must take place to attest the regularity of the activities of the enterprise in relation to the rights of possession and use and other rights related to indigenous and traditional populations;</i></p>	<p><i>The overlap or proximity analysis indicated that there is an indigenous land and some quilombolas areas close to some supply areas. In the consultation with stakeholders carried out by Neocert the institutions, FUNAI and Palmares Foundation were considered and no worrisome response has been received.</i></p> <p><i>During the field audits 2 farms closed to the indigenous area were visited. No signs of a problem was found either in the audits or in the public consultation</i></p>
1.16	<i>Low risk</i>	-
1.17	<i>Low risk</i>	-
1.18	<i>Low risk</i>	-
1.19	<i>Low risk</i>	-
1.20	<i>N/A</i>	-
1.21	<i>N/A</i>	-
Controlled wood category 2. Wood harvested in violation of traditional and human rights		
2.1	<i>Low risk</i>	-
2.2	<p><i>M - Carry out field surveys to evidence that:</i></p> <p><input type="checkbox"/> <i>timber is produced under policies that respect freedom of association and right to collective bargaining and absence of discrimination;</i></p> <p><input type="checkbox"/> <i>there is no labor analogous to slavery or child labor.</i></p> <p><input type="checkbox"/> <i>there is no discrimination in employment, occupation, gender and / or race.</i></p>	<p><i>All labor used in the harvest and transport are over the PEFC certification and the FSC CW DDS audits. Bracell and Neocert monitors interview workers about freedom of association, right to collective bargaining and absence of discrimination. No problem was found.</i></p>
2.3	<i>Confront areas of supply of controlled wood with areas of indigenous populations and/or traditional populations in order to verify possible overlap or proximity in a range of up</i>	<i>The Bracell team analyzes the overlap or proximity of supply areas with traditional and indigenous communities. The institutions FUNAI, INCRA,</i>

	<p>to 10 km. In order to verify such overlap, one can use, for example, information available in:</p> <ul style="list-style-type: none"> <input type="checkbox"/> FUNAI; <input type="checkbox"/> INCRA. <p><i>M – In cases where there is overlap or proximity within a range of up to 10 km from the controlled wood supply area, interested parties must be consulted to see if there are any conflicts with indigenous populations and/or traditional populations and to attest that the situation is in accordance with the responsible bodies requirements;</i></p> <p><i>M – Consult reports related to the rights of indigenous and traditional population (such as land possession rights, rights to access to resources), such as the Pastoral Land Commission and others, to verify that the areas of supply of controlled wood are not in a situation of land disputes;</i></p> <p><i>M – Field verification of evidences that attest the management is not being conducted inside indigenous or traditional lands;</i></p>	<p><i>IPHAN, and Palmares Foundation are considered essential stakeholders in the consultation processes and, therefore, are consulted annually. Even if there is no overlap with communities. Consultation in the media and in the CPT report are carried out by Neocert.</i></p> <p><i>No signs of problems were found either in the audits or in the public consultation</i></p>
Controlled wood category 3. Wood from forests in which high conservation values are threatened by management activities		
3.1	<p><i>M – Confront the areas of supply of controlled wood in relation to the location in Priority Areas for Conservation and Conservation Units (except for Environmental Protection Areas) in order to verify possible overlaps. For this to overlap check, the following sources can be used:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> ICMBio; <input type="checkbox"/> MMA: CUs; <input type="checkbox"/> MMA: Priority areas <p><i>M (P) – When there is overlap of the supply area with Priority Areas for Conservation and/or Conservation Units, except APA, good management practices must be evidenced.</i></p> <p><i>R (P) - Conduct field surveys to verify that good management practices are in place.</i></p>	<p><i>Mappings were carried out with all layers indicated by the NRA. There are overlaps with priority areas for conservation on company properties. Good management practices are the company's operating procedure. There are internal assessments on post-harvest environmental aspects. During the internal DDS audit, Neocert audits supply areas and no problem related to the topic was evidenced.</i></p>
3.2	<p><i>M – Confront the areas of supply of controlled wood in relation to the location in Priority Areas for Conservation and/or Conservation Units (except for Environmental Protection</i></p>	<p><i>Mappings were carried out with all layers indicated by the NRA. There are overlaps with priority areas</i></p>

	<p>Areas) in order to verify possible overlaps. For this to overlap check, the following sources can be used:</p> <ul style="list-style-type: none"> <input type="checkbox"/> ICMBio; <input type="checkbox"/> MMA: CUs; <input type="checkbox"/> MMA: Priority areas <p><i>M (P) – When there is overlap of the supply area with Priority Areas for Conservation and/or Conservation Units, except APA, good management practices must be evidenced.</i></p>	<p>for conservation on company properties. Good management practices are the company's operating procedure. There are internal assessments on post-harvest environmental aspects. During the internal DDS audit, Neocert audits supply areas and no problem related to the topic was evidenced.</p>
3.3	<p>Environmental Protection Areas) and/or Ramsar Sites in order to verify possible overlaps. For this to overlap check, the following sources can be used:</p> <ul style="list-style-type: none"> <input type="checkbox"/> ICMBio; <input type="checkbox"/> MMA: CUs; <input type="checkbox"/> MMA: Priority áreas; <input type="checkbox"/> Ramsar <p><i>M (P) – When there is overlap of the supply area with Priority Areas for Conservation, Conservation Units, except APA, and/or Ramsar Sites, good management practices must be evidenced.</i></p>	<p>Mappings were carried out with all layers indicated by the NRA. There are overlaps with priority areas for conservation on company properties. Good management practices are the company's operating procedure. There are internal assessments on post-harvest environmental aspects. During the internal DDS audit, Neocert audits supply areas and no problem related to the topic was evidenced.</p>
3.4	<p><i>M - Confront the areas of controlled wood supply in relation to the location of the Conservation Units (except for Environmental Protection Areas), areas of local communities, indigenous and/or traditional populations in order to verify possible overlaps or proximity in a range of up to 10 km. For this overlap check, the following sources can be used:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> ICMBio; <input type="checkbox"/> MMA: CUs; <input type="checkbox"/> MMA: Priority áreas; <input type="checkbox"/> FUNAI <input type="checkbox"/> INCRA 	<p>There is proximity to supply areas with conservation units, indigenous lands and local communities. In these cases, the UCs and communities and their management bodies (if any) are included in the stakeholder consultation carried out by Neocert.</p> <p><i>In the field, good management practices are checked. The institutions FUNAI, INCRA, IPHAN, and Palmares Foundation are considered essential stakeholders in the consultation processes and, therefore, are consulted annually. Even if there is no overlap with communities.</i></p>

	<p><i>M - In cases where there is overlap or proximity in a range of up to 10 km from the controlled wood supply area with Conservation Units (except for Environmental Protection Areas) , areas of local communities, indigenous and / or traditional populations, affected parties should be consulted to identify whether management does not negatively impacts critical ecosystem services, for example, but not limited to: flood control; climate regulation, water resource maintenance and soil conservation.</i></p> <p><i>M – In cases where there is overlap or proximity in a range of up to 10 km from the controlled wood supply area with Conservation Units (except for Environmental Protection Areas), areas of local communities, indigenous and / or traditional populations, perform field surveys to verify if good management practices can be evidenced.</i></p>	
3.5	<p><i>M - Confront the controlled wood supply area with areas of local communities, indigenous and/or traditional populations in order to verify possible overlap or proximity within a range of up to 10 km. For this to overlap check, the following sources can be used:</i></p> <p><input type="checkbox"/> IBGE</p> <p><input type="checkbox"/> FUNAI</p> <p><input type="checkbox"/> INCRA</p> <p><i>M - In cases where there is overlap or proximity within a range of up to 10 km from the controlled wood supply area the affected parties shall be consulted to verify that management does not adversely impact areas and resources that are critical to meeting the basic needs of local communities, indigenous populations or traditional populations.</i></p> <p><i>M - If the consultation with affected parties identifies that management may be negatively impacting areas and resources essential to meet the basic needs of local communities, indigenous populations or traditional populations, perform field surveys to ensure that the management adopted does not generate such impacts.</i></p>	<p><i>The geoprocessing analysis verifies the proximity of supply areas with indigenous, traditional and local communities. Nearby communities are characterized by Bracell's social team and included in Neocert's stakeholder consultation. The institutions FUNAI, INCRA, IPHAN, and Palmares Foundation are considered essential stakeholders in the consultation processes and, therefore, are consulted annually. Even if there is no overlap with communities.</i></p>
3.6	<p><i>M - Confront the controlled wood supply area with areas of local communities, indigenous populations, traditional populations, archeological sites and/or world heritage sites in order to verify possible overlap or proximity within a range of up to 10 km. For this overlap check, the following sources can be used:</i></p> <p><input type="checkbox"/> IBGE</p> <p><input type="checkbox"/> FUNAI</p> <p><input type="checkbox"/> INCRA</p>	<p><i>The geoprocessing analysis verifies the proximity of the supply areas with archaeological sites, world heritage and indigenous, traditional and local communities. Nearby communities are characterized by Bracell's social team. If there is proximity, managers or communities are included in Neocert's stakeholder consultation. The institutions FUNAI, INCRA, IPHAN, and Fundação Palmares are considered essential stakeholders in</i></p>

	<input type="checkbox"/> IPHAN <input type="checkbox"/> UNESCO <p><i>M - In cases where there is overlap or proximity within a range of up to 10 km from the controlled wood supply area the affected parties shall be consulted to identify whether management does not negatively impact the critical cultural values of local communities, indigenous populations or traditional populations.</i></p> <p><i>M - If the consultation with affected parties identifies that management may be negatively impacting the critical cultural values of local communities, indigenous populations and / or traditional populations, perform field surveys to ensure that the management adopted does not generate such impacts.</i></p>	<p><i>the consultation processes and, therefore, are consulted annually. Even if there is no overlap with communities.</i></p>
Controlled wood category 4. Wood from forests being converted to plantations or non-forest use		
4.1	N/A	-
Controlled wood category 5. Wood from forests in which genetically modified trees are planted		
5.1	Low risk	-

4.b Risk assessment and mitigation for mixing in the supply chain

Participating site	Supply chain type	No. of tiers	Risk of mixing	Control measures	Findings from field verification if undertaken as a control measure
Bracell SP Celulose Trading FZCO	Trader without physical possession	3	<i>There is NO RISK of material mixing due to not having physical possession. This operation is for documentary purposes only. This company sells only Bracell pulp produced in Lençóis Paulista, São Paulo, Brazil, pulp mill.</i>	-	-
Bracell SP Celulose Ltda.	Primary processor (Pulp mill)	2	<i>NO RISK. All suppliers are included in the DDS since December 2021. During the audit, a report of wood entries from the scale (SAP) is analyzed and compared with the list of suppliers approved by the DDS.</i>	-	-
Forest suppliers	Forest management	1	<i>There is an IDENTIFIED RISK of mixing. There are no intermediate</i>	<i>Registration of the farms in the</i>	<i>During the audit, a report of wood entries from the scale</i>

			yards. The wood comes straight from the forest to the pulp mill. However, it must be ensured that the trucks are loaded with wood that does not come from farms included in the DDS.	pulp mill database and control of wood deliveries from the invoices (purchased logs) or wood transport certificates (own logs). Loading operations must be audited to ensure that there is no mixing of wood from farms not registered with Bracell.	(SAP) was analyzed and compared with the list of suppliers approved by the DDS. Invoices from purchased woods were analyzed. A sample check to trace pulp units purchased by Heinzelsales is carried out, from the list of units delivered by Bracell. From this unit it is possible to identify the list of farms that fed the pulp mill on the date the unit was manufactured and check whether they were analyzed by the DDS. Log loading operations are audited and employees interviewed to confirm the origin of the wood.
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5. Technical experts used in the development of control measures

N/A, technical experts were not required.

6. Stakeholder consultation processes

Supply area	Relevant controlled wood category	List of stakeholder groups invited to participate	Summary of comments received from stakeholders	Description of how stakeholder comments were taken into account	Justification for concluding that the material sourced from the area was low risk
Regions of the company's forestry operations in the states of SP, MS, GO and MG.	1, 2 and 3	<i>Invited Interest Groups</i> <input checked="" type="checkbox"/> <i>economic interests</i> <input checked="" type="checkbox"/> <i>social interests</i>	<i>The first responses received indicate that Bracell carries out its operations without objections from society. No response could be</i>	<i>The comments received were analyzed and if there were any signs of problems related to the DDS, in-depth analyzes were carried out on the topic and/or individual</i>	<i>The consultation has yet to reveal any points of attention to be considered a driver for field checks. Therefore, based on the consultation with stakeholders, there is no impediment for this</i>

		<input checked="" type="checkbox"/> environmental interests <input checked="" type="checkbox"/> FSC accredited certifiers in the country <input checked="" type="checkbox"/> National and state forest agencies <input checked="" type="checkbox"/> Experts with experience in controlled wood categories <input checked="" type="checkbox"/> Universities and research institutions <input checked="" type="checkbox"/> FSC regional offices, FSC network partners, registered standard development groups and ANR working groups in the region	<i>interpreted as a complaint.</i>	<i>interviews with interested parties</i>	<i>wood to be considered controlled wood</i>
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7. Complaints procedure

We encourage stakeholders who have suggestions for improvements, comments, or complaints related to our controlled wood due diligence system to contact Marcos Planello from Neocert by mail (Neocert - Av. Comendador Pedro Morganti, 4965 – Usina de Inovação - Casa 10 – Bairro Monte Alegre, Piracicaba - SP, Zip Code 13415-000) email (consultapublica@neocert.com.br), or phone/whatsapp (+55 19 3375-1060)

We commit to follow up on stakeholder input as soon as we receive it and to provide stakeholders with feedback within 2 weeks.

Contact of the person or position responsible for resolving complaints:

Neocert – Mr. Marcos Planello – consultapublica@neocert.com.br or phone or whatsapp +55 19 3375-1060

Procedure for filing complaints:

When a complaint is received this procedure must be followed:

- a) *Acknowledging receipt of complaints registering in a shared form;*
- b) *Informing stakeholders of the complaint procedure, and providing an initial response to complaints within a time period of two (2) weeks;*
- c) *Complaints related to risk designations in the Brazil NRA should be forwarded to FSC Brazil.*
- d) *A preliminary assessment must be done to determine evidence provided in a complaint is or is not substantial, by assessing the evidence provided against the risk of using material from unacceptable sources;*
- e) *Dialogue with complainants must be done aiming to solve complaints investigated as substantial before further actions are taken;*
- f) *Forwarding substantial complaints to the certification body and relevant FSC National Office for the supply area within two (2) weeks of receipt of the complaint. Information on the steps to be taken by the organization in order to resolve the complaint, as well as how the precautionary approach will be used, shall be included with the complaint;*
- g) *The precautionary approach towards the continued sourcing of the relevant material should be adopted while a complaint is pending; Substantial complaints must lead to the temporary suspension of supply if they are considered relevant and at the same time are not addressed.*
- h) *the field verification and/or desk verification will be done to verify a complaint verified as substantial by the organization, within two (2) months of its receipt;*
- i) *Determining the corrective action to be taken by suppliers and the means to enforce its implementation by the supplier if the complaint has been verified and verified as substantial. If corrective action cannot be determined and/or enforced, the relevant material and/or suppliers shall be excluded by the organization;*
- j) *Verifying whether corrective action has been taken by suppliers and whether it is effective;*
- k) *Excluding the relevant material and suppliers from the organization's supply chain if no corrective action is taken;*
- l) *Informing the complainant, the certification body, and the relevant FSC National Office of the results of the complaint and any actions taken towards its resolution, and for maintaining the copies of relevant correspondence;*
- m) *Recording and filing all complaints received and actions taken in the complaint form.*

Annex

N/A