

# FSC National Risk Assessment

For Brazil

DEVELOPED ACCORDING TO PROCEDURE FSC-PRO-60-002 V 3-0

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## Risk designations in finalized risk assessments for Brazil

Indicator	Risk designation (including functional scale when relevant)
Controlled wood category 1: Illegally harvested wood	
1.1	Specified risk
1.2	Plantations: Not applicable Native Forests: Low risk
1.3	Plantations: Not applicable Native Forests: Specified risk
1.4	Plantations: Low risk Native Forests: Specified risk
1.5	Plantations: Not applicable Native Forests: Low risk
1.6	Specified risk
1.7	Low risk
1.8	Plantations: Not applicable Native Forests: Specified risk
1.9	Specified risk
1.10	Specified risk
1.11	Specified risk
1.12	Specified risk
1.13	Specified risk
1.14	Specified risk
1.15	Specified risk
1.16	Plantations: Low risk Native Forests: Specified risk
1.17	Plantations: Low risk Native Forests: Specified risk
1.18	Low risk
1.19	Low risk
1.20	Plantations: Not applicable Native Forests: Low risk
1.21	Not applicable
Controlled wood category 2: Wood harvested in violation of traditional and human rights	
2.1	Native Forests: Specified risk Plantations: Low risk
2.2	Specified risk
2.3	Specified risk
Controlled wood category 3: Wood from forests where high conservation values are threatened by management activities	
3.0	Low risk
3.1	Specified risk
3.2	Specified risk

3.3	Specified risk
3.4	Specified risk
3.5	Specified risk
3.6	Specified risk
Controlled wood category 4: Wood from forests being converted to plantations or non-forest use	
4.1	Plantations: Not applicable Native Forests: Specified risk
Controlled wood category 5: Wood from forests in which genetically modified trees are planted	
5.1	Plantations: Low risk Native Forests: Not applicable

## Background information

The main application of this document is to assess the risk of sourcing controlled wood coming from unacceptable sources by the Chain of Custody Organizations that have the scope of FSC-STD-40-005 - Requirements for the Consumption of Controlled Wood FSC®. The five FSC controlled wood categories of unacceptable sources (referred to as controlled wood categories) 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; and
5. Wood from forests in which genetically modified trees are planted.

When specified or unspecified risk for the source of the material or risk of mixing in the supply chain is identified, control measures shall be implemented by the organization to mitigate the risk. Material is considered in this document as originating from a native forest or plantations (e.g. wood and wood products, and non-timber forest products) or reclaimed wood, without an FSC claim, that is being evaluated by the organization to determine whether it originates from acceptable sources.

## Methodology

For the purpose of this study, the concept of Native Forests defined by FSC (FSC-STD-01-002) is adopted:

- Forest affected by harvesting or other disturbances, in which trees are being or have been regenerated by a combination of natural and artificial regeneration with species typical of natural forests in that site, and where many of the above-ground and below-ground characteristics of the natural forest are still present. In boreal and north temperate forests which are naturally composed of only one or few tree species, a combination of natural and artificial regeneration to regenerate forest of the same native species, with most of the principal characteristics and key elements of native ecosystems of that site, is not by itself considered as conversion to plantations.
- Native forests which are maintained by traditional silvicultural practices including natural or assisted natural regeneration.
- Well-developed secondary or colonizing forest of native species which has regenerated in non-forest areas.
- The definition of 'native forest' may include areas described as wooded ecosystems, woodland and savanna

Native forest does not include land that is not dominated by trees, was previously not forest, and that does not yet contain many of the characteristics and elements of native ecosystems. Young regeneration may be considered as native forest after some years of ecological progression.

Forest plantations were considered as plantations of exotic tree genera of *Eucalyptus*, *Pinus*, *Acacia* and *Tectona*. When information was found on native species planted for commercial purposes, such as *Araucaria*, *Paricá*, *Brazilian Mahogany*, *Guanandi* and other species, data on these plantations were also considered in this evaluation.

The sourcing areas of controlled wood in the different regions of the country were analyzed based on the requirements established in the categories of controlled wood, as well as in the public and private sources raised and ratified by the Standard Development Groups (SDG) and Technical Experts Committee (TEC).

This draft version of the National Risk Assessment was elaborated according to the five categories of controlled wood following the guidelines of FSC-PRO-60-002 V3-0 The Development and Approval of FSC National Risk Assessments. Among the FSC regulations, for the elaboration of this document, were still relevant:

- FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood

- FSC-STD-60-006 Process requirements for the development and maintenance of National Forest Stewardship Standards
- FSC-PRO-60-002a V1-0 FSC National Risk Assessment Framework
- FSC-PRO-60-002b List of FSC-approved Controlled Wood documents
- FSC-PRO-01-009 Processing formal complaints in the FSC certification scheme

The content of the Centralized National Risk Assessment - CNRA, which is a risk assessment coordinated by FSC International, has been incorporated into this document. Information for categories 1, 2 and 5 is available in FSC-CNRA-BR V1-0 Centralized National Risk Assessment for Brazil. In addition, FSC International has made available a draft for category 3 not formally approved. The content of this document was evaluated and used in extent of its relevance to the Brazilian context.

The risk of consumption of wood from unacceptable sources was classified as:

- *Low risk*: the evidence found confirms the existence of a low risk of occurrence of the situation indicated by the category and its respective indicator of the standard, that is, it confirms the low risk, which can be understood as synonymous with negligible risk.

NOTE: 'Low risk' as determined by FSC is synonymous with 'negligible risk' as defined by Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (known as the 'EU Timber Regulation').

- *Specified risk*: the evidence found confirms the existence of the risk of occurrence of the situation indicated by the category and respective indicator of the standard. In this case, mandatory or recommended Control Measures are proposed.

The precautionary principle has been applied throughout the risk assessment process.

The public consultation process was carried out after the conclusion of the first draft, questioning stakeholders about its content and applicability. A standard questionnaire was applied, seeking approval and recommendations from stakeholders for each one of the indicators and its control measures.

The questions raised by stakeholders during public consultation focused on the following main points:

- a) The approach and concepts adopted for the elaboration of the standard;
- b) Risk classification for each indicator;
- c) The mandatory and recommended control measures for each indicator;
- d) Information sources used for the analysis of each indicator – seeking to raise new additional information sources not used during the first draft's elaboration.

The process for NRA's elaboration and approval followed the steps listed on the schedule presented below:

Main activities	Date
Process start	November 2016
First draft development	December 2016 - July 2017
Deliver of the first draft to FSC International	July 2017
Incorporation of suggestions, adjustments in the first version and submission for technical analysis of FSC International	September 2017
Revision by FSC International and approval of the public consultation beginning	September - October 2017
Public consultation of the first draft	December 2017 – February 2018
Analysis of contributions received and development of the final version	March 2018
Submission of final version to FSC International	May 2018
Review according to suggestions from FSC International	June 2018 - March 2019

Main activities	Date
Expected date of FSC International approval	June 2019

## List of experts involved in the risk assessment and their contact details

The review of the old version of the National Risk Assessment for Brazil began in November 2016 with FSC International's approval of starting the process. Following that, a Standard Development Group (SDG) was formed to carry out the reviewing process, coordinated by FSC Brazil with the support of a Technical Experts Committee (TEC), representatives of certification bodies. The SDG formed to develop the new version of the National Risk Assessment is composed by the SDG and CET. A Consultative Forum was also formed to be involved in the process of developing the new NRA once first draft is approved. The composition of SDG and TEC is as follows:

### Standard Development Group

Name	Chamber	Main qualifications
Gabriel Coimbra Rafael	Economic	Forest engineer, master's degree in Environmental engineer, coordinator of the Cooperative Forest Certification Program at IPEF (Instituto de Pesquisa e Estudos Florestais). Previously worked with sustainable management of forest plantations, forest certification, GIS and environmental projects.
Elson Fernandes de Lima - <i>Casa da Floresta Assessoria Ambiental</i>	Economic	Ecologist, master's degree in Applied Ecology, consultant at Casa da Floresta with ecology, certification standards, environmental restoration, licensing and biodiversity monitoring and conservation.
Aretha Medina Oliveira Marin - SOS Mata Atlântica Foundation	Environmental	Forest engineer, specialist in Environmental Management with master's degree in Environmental Sustainability Management, coordinator at SOS Mata Atlântica Foundation.
Paulo Roberto da Gama Bittencourt	Environmental	Forest engineer, master's degree in Forest Science, experience working with low-impact management techniques, trainings regarding implementation, programs and management of tropical forests.
Isaque Mopilo Tavá Suruí - <i>Associação Soenama do Povo Indígena Paiter Suruí</i>	Social	General Coordinator of Soenama – Associação Soenama do Povo Indígena Paiter Suruí, experience with forest management in Indigenous Territories and as a member of FSC. He participated in the workshop held by FSC Brazil to discuss the new Forest Management standard in Manaus in 2016.
Stephany Anry Kudo – <i>Fundação Amazona Sustentável - FAS</i>	Social	Forest Engineer, master's degree in Environmental Science and Sustainability, analyst of technical projects at Fundação Amazônia Sustentável (FAS), with a focus on social development and production chains, as well as coordinator of Study Groups on Forest Management in the state of Amazonas.

### Technical Experts Committee

Certification body	Auditors
Bureau Veritas	Camila Mehes (titular)
Imaflora	Marcos Planello (titular)
	Evelin Fagundes (substitute)
SCS/Sysflor	Vanilda Souza (titular)
	Jackson Noguchi de Souza (substitute)
	Naiara Zanin (substitute)
SGS	Rosilene Einloft

## National Risk Assessment maintenance

During the period of validity of the NRA, FSC Brazil will record comments and/or revision proposals from any interested or affected parties and will assess the need to change the risk determination or control measures. The NRA should be reviewed in case of changes in risk determinations and/or control measures.

This document shall be reviewed at least once every 5 years, under the coordination of FSC Brazil and FSC International approval. In the case of revision (updates of sources of information, inclusion of sources and maps, corrections, etc.) the code of the document will be changed (for example V1-1, V1-2).

For suggestions or more information, write to [info@fsc.org.br](mailto:info@fsc.org.br).

## Complaints and disputes regarding the approved National Risk Assessment

Any complaints about the development and application of this standard may be sent to [info@fsc.org.br](mailto:info@fsc.org.br). The FSC Brazil will confirm receipt of the complaint within 2 weeks and will indicate the deadlines and responsibilities according to the FSC Brazil conflict resolution protocol that can be found at [br.fsc.org](http://br.fsc.org).

## List of key stakeholders for consultation

FSC Brazil possesses the list of the stakeholders involved in the public consultation process, identifying those who were contacted and those who responded to the NRA consultation. It is not publically available because of confidentiality reasons.

## Risk assessments

This National Risk Assessment was prepared for the five Controlled Wood categories for the Federative Republic of Brazil for Native Forests and Plantations:

### Controlled wood category 1: Illegally harvested wood

#### Overview

Brazil is a highly-forested country, with approximately 493.5 million hectares (58% of its territory) covered by native and planted forests – which represents the second-largest forest area in the world, after only Russia. Of those 493.5 million hectares, 485.8 million hectares are represented by native forests and 7.7 million hectares are forest plantations<sup>1</sup>.

From the perspective of the forest type, forest management activities in Brazil can occur in native forests or planted forests. From the point of view of land ownership, forest management can be carried out on public or private land. Public lands subject to management are covered with native forests and the management can be carried out by private companies or by traditional communities. The management of native forests may also occur on private land.

Although there are no restrictions on who can carry out the management of planted forests, these are usually managed by companies or farmers, always in private lands (given that the public lands have basically native forests).

The total volume of timber originating from native forests of the Legal Amazon that was traded lawfully in 2011 (the most recent data) was 12.9 million m<sup>3</sup>, of which 89% originated from the states of Pará, Mato Grosso, and Rondônia. In the same year the lumber production was about 5.9 million m<sup>3</sup> with gross revenue of 4.3 billion Brazilian reais.

The management of Brazilian forests involves different institutions at three levels of government (federal, state and city). In the federal government, the forest management is under the direct responsibility of four institutions: the Ministry of the Environment - MMA is responsible for formulating forestry policies. It operates by granting power for sustainable forest production and is responsible for signing forest concession contracts. The Brazilian Forestry

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<sup>1</sup> Forest Resource Assessment (FRA) mentioned by the Brazilian Forestry Service (SFB). Available in: <http://www.florestal.gov.br/snif/recursos-florestais/conhecendo-sobre-florestas>

Service - SFB is the administrative institution of the federal public forests for the sustainable production of goods and services. It is also responsible for the generation of information, qualifications, and fostering the forest sector. The Brazilian Institute of Environment and Natural Renewable Resources - IBAMA is the institution responsible for controlling and inspecting the environment, and for licensing and environmental control of Brazilian forests in its area of competence. The Institute Chico Mendes of Conservation and Biodiversity - ICMBio is responsible for proposing, implementing, managing, protecting, inspecting and monitoring Conservation Units instituted by the Federal Government.

In the state scope, generally, the state departments of the environment are responsible for formulating policies and establishing guidelines for forest management, and the state environmental institutions are responsible for licensing, controlling, and inspecting forest activities and conservation. In cities that have a forest management structure, the arrangement is similar.

Due to the large areas, numbers of applicable laws and regulations, as well as the difficulty of performing inspections, the risks of illegality in native wood are greater than those relating to plantations – justifying the risk analysis for the two types of forests (native and plantations).

Following are presented, as reference, the main sources for consumption of legal timber.

## Sources of legal timber

Forest classification type	Permit/license type	Main license requirements (forest management plan, harvest plan or similar activities)	Clarification
Plantations of exotic species	Some states may require environmental licensing or harvesting authorization to transport materials.	It varies according to the state, and most do not require licensing.	The need for an environmental license for management of plantations varies in each state. However, all products must always be transported and traded with a fiscal invoice
Plantations of native species	DOF / Sinaflor/ GF – Document of Forest Origin / National Forest Origin Control System  Invoice	Some cases may require an environmental license for the management of plantations. The transportation must always be accompanied by the invoice and by the Document of Forest Origin (DOF/Sinaflor or GF).	The need for an environmental license for management of plantations varies in each state. In all cases the products must be accompanied by the invoice and the Document of Forest Origin (DOF/ Sinaflor or GF).
Native forests	AUTEF/ AUTEX – Authorization for Forest Exploitation  DOF/ Sinaflor / GF – Document of Forest Origin / National Forest Origin Control System  Invoice	To operate in forest management, after its approval by the competent body, it is necessary to obtain an Authorization of Forest Exploitation - AUTEF (or AUTEX depending on the state). The transport must always be accompanied by invoice and Document of Forest Origin (DOF/Sinaflor or GF depending on the state).	The wood originating from Brazilian native forests, when transported in the national territory, must always be accompanied by two documents: the Document of Forest Origin (DOF/Sinaflor or GF); and the invoice. The legal status of the forest management can be demonstrated through the presentation of the AUTEF (or AUTEX depending on the state).

## Risk assessment

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
<b>Legal rights to harvest</b>				
1.1 Land tenure and management rights	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Constitution of the Federative Republic of Brazil – 1988 Title VII, Chapter III Agricultural and Land Policy and Agrarian Reform</a></p> <p><a href="#">Decree nº 4.382 / 2002 - Provides for the Rural Territorial Property Tax (ITR)</a></p> <p><a href="#">Decree nº 6.063 / 2007 - Regulates the Public Forests Management Law</a></p> <p><a href="#">Decree nº. 9.311/2018 – Selection process of beneficiary families of Agrarian Reform</a></p> <p><a href="#">Decree nº 72.106/1973 - Regulates the National Rural Registration System</a></p> <p><a href="#">Law nº 1.110 / 1970 - Institutes INCRA</a></p> <p><a href="#">Law nº. 4.504 / 1964 - Land Statute Chapter I (Access to land); Chapter IV (Use or temporary possession of the land)</a></p> <p><a href="#">Law nº. 4.947/1966 – Agrarian Law Chapters III and IV (agrarian contracts and general provisions)</a></p>	<p><a href="#">Pastoral Land Commission – Rural Conflicts Brazil</a></p> <p><a href="#">Transparency International – Corruption Perception Index (2017)</a></p> <p><a href="#">The World Bank Group – Worldwide Governance Indicators (2016)</a></p> <p><a href="#">World Economic Forum – Global Competitiveness Index (2018)</a></p> <p><a href="#">National Institute of Colonization and Agrarian Reform - INCRA – Agrarian Reform Process - Land acquisition (2017)</a></p> <p><a href="#">National Institute of Colonization and Agrarian Reform -INCRA</a></p>	Country	<p><b>Overview of Legal Requirements</b></p> <p>The main legislation that regulates the land tenure and use in Brazil is the Land Statute, Law nº. 4.504 of November 30, 1964. It establishes the rights and obligations related to rural lands and properties, and the definitions of Agrarian Reform and Agrarian Policies.</p> <p>Law nº. 4.947 of April 6, 1966, complements the Land Statute, establishing norms of agrarian rights related to monitoring and control of related administrative events and transactions, and attributes responsibilities.</p> <p>The National Rural Registration System was created by Law nº. 5.868 of 1972 and regulated by Decree 72.106 of 1973 and is an electronic register, mandatory for all rural properties, forming a strategic database for the control, monitoring and combat of deforestation of forests and other forms of Brazilian native vegetation, as well as for environmental and economic planning of rural properties.</p> <p>Agrarian and landholding policy, as well as agrarian reform, are addressed by the 1988 Federal Constitution, in Title VII, Chapter III. The text reaffirms the duty of the State to redistribute lands, seeking to comply with the social function of lands through indemnifiable expropriation, as well as the conditions for expropriating rural properties.</p> <p>The text of the 1988 Constitution was regulated by Law nº. 8.629 of February 25, 1993 and modified by Provisional Measure nº. 2.183-56 of August 24, 2001. The law, which established the National Agrarian Reform Program, discusses properties subject to expropriation and the penalties and conditions for indemnifying landowners. The law is regulated</p>

<sup>2</sup> Click the text to access the respective source of information

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Law nº. 5.868/1972 – National Rural Registration System (Sistema Nacional de Cadastro Rural)</a></p> <p><a href="#">Law nº. 6.015/1973 – Provides for public records Title V (Property Deed Records)</a></p> <p><a href="#">Law nº 8.629/1993 - Regulation of provisions of Agrarian Reform</a></p> <p><a href="#">Law nº 9.393/1996 - Provides for the Rural Territorial Property Tax (ITR)</a></p> <p><a href="#">Law nº 10.406 / 2002 - Instituted the Civil Code Title II (Clause 45)</a></p> <p><a href="#">Law nº 11.284 / 2006 - Public Forests Management Law Titles I and II – Management of Public Forests for Sustainable Production</a></p> <p><a href="#">Law nº 11.598 / 2007 - Establishes guidelines and procedures for the simplification and integration of the process of registration and legalization of businessmen and legal entities Chapter I</a></p> <p><a href="#">Law nº 12.651/2012 – Forest Code</a></p> <p><a href="#">Provisional Measure nº 2.183-56/2001 - Amendments Law nº 8.629</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (Federal Execution Bodies: IBAMA and ICMBio; State and City Bodies)</p>	<p><a href="#">– White Paper on Illegal Land Grab (2014)</a></p> <p><a href="#">Greenpeace – Blood-Stained Timber (2017)</a></p>		<p>by Decree nº. 8.738 of May 3, 2016, which addresses the criteria for selecting families to be benefitted by the Program. Considerations related to the tenure and ownership of properties are also dealt with on the Civil Code, Law nº. 10.406 of January 10, 2002. Law nº. 1.110 of July 9, 1970, establishes the National Colonization and Agrarian Reform Institute (INCRA), which consolidates the responsibilities for executing and monitoring agrarian reform. The Rural Territorial Property Tax – ITR – was established by Law nº. 9.393 of 1996 and is regulated by Decree nº. 4.382 of 2002. INCRA uses recognized practices to evaluate and carry out the redistribution of lands, relying on participatory processes with interested communities and social movements.</p> <p><b>Description of Risk</b></p> <p>The existing legislation despite very comprehensive on land tenure issues has been failing to be converted in efficient public policies to ensure that legal determinations are enforced. Command and control instruments are flawed or insufficient to meet legally stipulated objectives. Judicial or extrajudicial disputes over land tenure are frequent, as can be seen on INCRA’s White Paper on Illegal Land Grab. It is common that land is not properly recorded in the property registers; or there are forged documents ('land grabbing') that can result in more than one ownership document related to the same area. Usually this overlap becomes noticeable only when there is a conflict related to land tenure, where more than one owner calls for legitimate possession.</p> <p>Therefore, there is, especially for native forests, a risk of forest management taking place without license or with a license issued through illegal means. Oversight and surveillance by government is limited.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p>SFB - Brazilian Forest Service</p> <p>Secretariat of the Federal Revenue of Brazil</p> <p>Real Estate Registration Notary</p> <p>Executive Power (City, State or Federal)</p> <p><b>Legally required documents or records</b></p> <p>SNCR - The National Rural Registration System</p> <p>National System of Rural Environmental Registry - SiCAR</p> <p>CAR - Rural Environmental Registry</p> <p>Proof of Registration of the Territorial Institute – Land Institute – ITR</p> <p>CCIR - Certificate of Registration of Rural Real Estate</p> <p>Authorization of Temporary Occupation provided by INCRA</p> <p>Certificate of Deed of Entire Content of the Rural Real estate</p> <p>CNDIR - Negative Certificate of Debts of the Rural Property</p>			<p>According to INCRA, since the creation of the National Agrarian Reform Program, more than 1.3 million families have been settled and more than 88 million hectares have been redistributed (until 2016). INCRA published in 2014 the White Paper on Illegal Land Grabbing, a document that synthesizes the agency’s work, providing data about citations for illegal possession of land and illegal land grabbing in each Brazilian state, and details about specific cases.</p> <p>The Pastoral Land Commission (CPT) publishes every year its report on Rural Conflicts, listing data regarding areas where there is conflict over land in Brazil. Through these reports, it is possible to gain knowledge about all properties being disputed at INCRA.</p> <p>The Blood-Stained Timber report by Greenpeace points out that conflicts over land possession are common in the Legal Amazon region. These conflicts are often related to land grabbers and illegal loggers that make use of violence to drive away local and traditional population of their lands and make illegal use of its resources. In some cases, wood logged from those areas reaches the international market.</p> <p>These sources show that land tenure violations are a systemic problem in Brazil, since a large number of new occurrences are registered every year throughout the country.</p> <p>Brazil is considered a country with a high perception of corruption. Three indexes of corruption perception of international recognition are highlighted: Transparency International, the Worldwide Governance Indicators and the Competitiveness Index of the World Economic Forum. The first, published annually, analyzes the corruption of the countries in various aspects and sectors, positioning Brazil in 96<sup>th</sup> in the 2017 report, with a score of 37 out of a maximum of</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	CTF - Ibama Federal Technical Registry  CNPJ card  Operation License  Operation Permit			<p>100 (a drop of 17 positions and 3 points in relation to 2016). The second examines various indicators of governance, including corruption control. In this respect, Brazil obtained, in 2016, a score of 38.46%. The third is an index of competitiveness, where ethics and corruption are evaluated indicators. In this index, Brazil obtained a score of 2.1 out of a maximum of 7, occupying the position 133 of 137 countries evaluated.</p> <p>Although legislation is comprehensive, and resources are directed toward compliance, surveillance has been shown, through the evidence used (INCRA, 2014; CPT, 2016), to be inefficient in avoiding problems of illegal land tenure. This can be attested through the data mentioned on the sources of information – INCRA, CPT, Transparency International, The World Bank and The World Economic Forum – indicating citations for disputes over landholding rights, by the weakness of surveillance system and high level of corruption perceived in the country. Therefore, indicator 1.1 was considered specified risk for the whole country.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.1 was considered <b>specified risk</b> for the whole country.</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
1.2 Concession licenses	N/A	N/A	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>There are no legal requirements regarding the concession of licenses for forest plantations activity.</p> <p><b>Description of Risk</b></p> <p>Only environmental licenses are required in some States, and sometimes it is possible to carry out simplified environmental licensing. Some states have already excluded forestry from the list of potentially polluting activities and no longer require any licensing procedure. It was therefore considered that the risks associated with the issue of licenses are not relevant in view of this reality.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.2 <b>does not apply</b> to forest plantations.</p>
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Decree nº 6.063/2007 – Regulates the Public Forests Management Law</a></p> <p><a href="#">Decree nº. 59.566/1966 – Regulates Sections I, II and III of Chapter IV of Title III of Law nº. 4.504, of November 30, 1964, the Land Statute, the Chapter III of Law nº. 4.947, of April 6, 1966, and provides for other matters. Chapters, I, II and III</a></p> <p><a href="#">Law nº 4.947/1966 – Agrarian Law Chapter III and IV</a></p> <p><a href="#">Law No. 4504/1964 – Land Statute Chapter I: and Chapter IV</a></p>	<p><a href="#">Brazilian Forest Service – Forest Concessions</a></p> <p><a href="#">Brazilian Forest Service – Frequently asked questions about forest concessions</a></p> <p><a href="#">Brazilian Forest Service – Annual Plan for Forest Grant (2019)</a></p> <p><a href="#">Brazilian Forest Service – Bid Process for Forest Concessions</a></p> <p><a href="#">National Institute for Metrology, Quality and</a></p>	Native Forests	<p><b>Overview of Legal Requirements</b></p> <p>The economic exploitation of the land is a right of its owner; and if there is interest for other options, the right may be transferred to a third party. However, there are legal methods governing the issue of concession rights.</p> <p>Forest management concession rights occur in two forms in Brazil: if the forest is public, the concession is managed through public forest concession contracts, when the government assigns the right to sustainable forest management to the company that presents the best financial and technical proposal (according to Clause 35 of decree 6063/07). If the land is privately held, the owner may assign the exploitation right to a third party through formal contracts that are registered with notaries (Clause 92 of Law nº 4504/64).</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Law nº 6.938/1981 – Provides for the National Environmental Policy, clause 10</a></p> <p><a href="#">Law nº 9.985/2000 - Established the National System of Nature Conservation Units (SNUC),</a></p> <p><a href="#">Decree nº. 4.340/2002, which regulated Law nº 9.985/2000.</a></p> <p><a href="#">Law nº 11.284/2006 – Public Forests Management Law that in its chapter IV section I talks about forest concessions and their obligations for authorization.</a></p> <p><a href="#">Law nº 12.651/2012 – Forest Code, Chapter VII</a></p> <p><a href="#">CONAMA Resolution nº 237/1997</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (Federal Execution Bodies: IBAMA and ICMBio; State and Municipal Environmental Bodies)</p> <p>MMA/SFB Brazilian Forest Service</p> <p>INCRA - National Institute of Colonization and Land Reform</p> <p>Notary for the Registration of Deeds and Documents</p> <p><b>Legally required documents or records</b></p>	<p><a href="#">Technology (Inmetro) – Agreement between Inmetro and SFB gives credibility to independent audits in forest concessions</a></p> <p><a href="#">Brazilian Forest Service – Commission for Management of Public Forests - CGFLOP</a></p> <p><a href="#">Brazilian Forest Service – Documents from public hearings about forest concessions</a></p> <p><a href="#">Tropical Forest Institute (IFT) – The concessions of public forests in Brazilian Amazon – The public forests management law and the outlook of forest concessions in Brazilian Amazon</a></p> <p><a href="#">Brazilian Forest Service – Forest concessions monitoring</a></p>		<p><b>Description of Risk</b></p> <p>The public concession process is quite transparent and is reviewed, reducing the possibility of unethical conduct in all phases of the process, from the publication of the bids to the performance of the audits on the completion of the contracts. The use of concessions for private areas may be carried out in a relatively simple way, without high costs for all involved. This is a practice that is consolidated in Brazil, and the risk is considered low when related to forest concession rights.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.2 was considered <b>low risk</b> for Native Forests.</p> <p>Low risk threshold (1) is met:</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p>Contract of leasing, partnership or rural loan for use registered or with a notary's acknowledgment</p> <p>Actual Right of Use Concession Contract – CCDRU (Extractivist Reserve and Sustainable Development Reserve)</p> <p>Forest Concession Contract (National Forest)</p> <p>Registration in the CTF (Federal Technical Register)</p> <p>Environmental licenses (required in some states)</p>			
1.3 Management and harvesting planning	<p><b>Applicable laws and regulations</b></p> <p>N/A – specific state laws</p> <p><b>Legal Authority</b></p> <p>State government</p> <p><b>Legally required documents or records</b></p> <p>The organization sourcing controlled wood should consult specific laws for the state where their supply units are based on to ensure that they comply with any additional requirements.</p>	N/A	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>The Management Plan - MP is not a legal requirement for forest plantations in Brazil.</p> <p><b>Description of Risk</b></p> <p>In Brazil, there are no legal requirements for forest plantations to have a management plan; therefore, the indicator does not apply to plantations.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.3 <b>does not apply</b> to forest plantations.</p>
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Decree nº 5.975/2006 – Requirements for exploitation of native forests. Full (Clause 29</a></p>	<p><a href="#">Ministry of the Environment – 2017</a></p>	Native Forests	<p><b>Overview of Legal Requirements</b></p> <p>The management of native forests must have a PMFS approved by the relevant environmental body (Clause 2 of</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">forbids the cutting of the chestnut and rubber trees)</a></p> <p><a href="#">Decree nº. 7.830/2012 – Provides for the Rural Environmental Register System</a></p> <p><a href="#">Normative Instruction CONAMA nº. 05/2006 – Technical procedures for the preparation of Sustainable Forest Management Plan – PMFS</a></p> <p><a href="#">Normative Instruction IBAMA nº. 5/2009 – Restoration/Recovery of permanent preservation areas - APP</a></p> <p><a href="#">Normative Instruction IBAMA nº. 10/2013 – New IN of the Federal Technical Register of Activities and Instruments of Environmental Defense</a></p> <p><a href="#">Normative Instruction ICMBIO nº 16/2011 – Regulates, in the scope of the ICMBio, the guidelines and the administrative procedures for the approval of the communal Sustainable Forest Management Plan (PMFS) for exploitation of lumber resources in the interior of Extractive Reserves, Sustainable Development Reserves, and National Forests</a></p> <p><a href="#">Normative Instruction IBAMA nº. 31/2009 – Provides for the registration in the Federal Technical Register (I)</a></p> <p><a href="#">Law nº 12.651/2012 – Forest Code, Chapter VII</a></p>	<p><a href="#">National Council of the Environment (CONAMA) – 2017</a></p> <p><a href="#">Imazon – Forest Management Transparency Bulletin – Mato Grosso (2011 – 2012)</a></p> <p><a href="#">Imazon – Forest Management Transparency Bulletin – Para (2011 – 2012)</a></p> <p><a href="#">Greenpeace – The Amazon’s Silent Crisis (2014)</a></p> <p><a href="#">Greenpeace – Imaginary Trees, Real Destruction: how the fraud in licensing and illegal logging of Ipê are causing irreparable damages to the Amazon Forest (2018)</a></p>		<p>Decree 5975/06). The content of the management plan varies according to the scale and intensity of the enterprise and must follow minimum guidelines established through resolutions as well as normative instructions issued by federal environmental agencies (CONAMA 406/09 and IN 05/06). Each State has autonomy to establish its own procedures for the approval of management plans, leading to significant differences in legal requirements in different states. There is a high frequency of change in the relevant regulatory state laws.</p> <p>The National Environment Council (CONAMA), via normative instruction no. 5 of Dec. 11, 2006, addresses the technical procedures for the development, presentation, execution, and evaluation of the PMFS in the Legal Amazon region.</p> <p>Therefore, there are legal mechanisms for the periodic presentation of the PMFS as a requirement for maintaining rights to use native forests. Furthermore, technical parameters exist to create the document.</p> <p><b>Description of Risk</b></p> <p>The inherent risks for the forest management plan are mainly:</p> <ul style="list-style-type: none"> <li>• Approval of low-quality management plans that do not fulfill the minimum legal requirements or that have false or inexact information;</li> <li>• Forest management carried out in violation of the approved management plan, resulting in social and environmental impacts beyond those anticipated; and,</li> <li>• Illegal forest management, without an approved management plan.</li> </ul>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">IBAMA Administrative Decision n°. 083/1991 – Criteria for the exploitation of the aroeira (of the <i>Anacardiaceae</i> family)</a></p> <p><a href="#">CONAMA Resolution n°. 1/1986 – Environmental Impact Report – RIMA</a></p> <p><a href="#">CONAMA Resolution n°. 13/1990 – Surrounding areas of conservation units</a></p> <p><a href="#">CONAMA Resolution n°. 237/1997 - Guidelines for the Environmental Licensing Process.</a></p> <p><a href="#">CONAMA Resolution n° 378/06 – Defines those enterprises potentially causing national or regional environmental impact for purposes of the provisions of item III, § 1, art. 19 of Law n°. 4,771, of September 15, 1965, and provides other measures</a></p> <p><a href="#">CONAMA Resolution n°. 428/2010 – modify CONAMA Resolution n° 378/06</a></p> <p><a href="#">CONAMA Resolution n°. 406/2009 – Technical procedures for preparing PMFS</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (Federal Execution Bodies: IBAMA and ICMBio; State Environmental and Municipal Bodies)</p>			<p>According to Greenpeace (2018), poor inspection is the main reason behind the frailty of the PMFS. The list of species and quantities in areas under concession are declared by the responsible for the management, without inspection by the responsible body to confirm the information. This allows the companies to overestimate the wood with commercial value, generating fake credits that are used to conduct illegal loggings.</p> <p>Last AMAZON Forest Management Transparency Bulletin (dated 2011-2012), indicates that most of the forestry activities occur illegally in the States of Pará and Mato Grosso (the largest lumber producers), reaching levels of illegal production of 58% in Mato Grosso and 78% in Pará. According to the same study, even among the few cases where management occurs with the approval of the regulatory body, almost the entire area is managed under practices considered of intermediate or low quality, reaching 90% in Mato Grosso and 96% in Pará (i.e. the percentage of forests managed at an intermediate or low level of compliance in relation to their forest management plan).</p> <p>According to Greenpeace (2014), there are five main ways to fraud illegal harvesting:</p> <ol style="list-style-type: none"> <li>1 – Authorized harvest in already harvested or deforested area;</li> <li>2 – Increase in total volume harvested in areas with approved PMFS for tree species with high commercial value;</li> <li>3 – Area authorized for exploitation, but with no signs of harvesting (PMFS created only to generate credits and documents for transportation of illegally harvested wood);</li> </ol>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p>CONAMA - National Council for the Environment</p> <p>MMA - Ministry of the Environment</p> <p><b>Legally required documents or records</b></p> <p>PMFS - Sustainable Forest Management Plan – required annually</p>			<p>4 – Credits issued for higher volume than authorized via AUTEF, with help of a legal agent;</p> <p>5 – Credits issued without AUTEF or PMFS, with help of a legal agent.</p> <p>Therefore, there is a high risk associated to native forest management due to the high probability of the activities being conducted without permit or with low compliance with PMFS.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.3 was considered a <b>specified risk</b> for Native Forests</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.4 Harvesting permits	<p><b>Applicable laws and regulations</b></p> <p>Some states have specific regulations related to the activity of harvesting commercial planted forests (such as the requirement of harvest informative document in Mato Grosso do Sul – <a href="#">SEMAC/MS Resolution nº 17/2007</a>).</p> <p><b>Legal Authority</b></p> <p>State government</p>	-	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>Permission to harvest planted forests are not required by national legislation. Only some States have specific regulations related to the activity of harvesting commercial planted forests. The State of Mato Grosso do Sul, for example, requires a harvest informative document before the harvesting takes place. The process of harvesting, however, does not require issuing by the environmental body.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><b>Legally required documents or records</b></p> <p>The organization sourcing controlled wood must consult the legislation specific for the state where their supply units are located to ensure that they comply with any additional requirements.</p> <p>Harvesting licenses</p> <p>Harvesting notifications or authorizations, when existent.</p>			<p><b>Description of Risk</b></p> <p>Harvesting permits are not a legal requirement at the federal level. Only some states require the presentation of a harvesting plan, through a simple process, to receive authorization. These demands are limited, when applicable, to information about volumes to be harvested and sold, and subject to approval by environmental agencies. Harvesting permits are linked to the legality of licenses, and therefore do not represent a source of risk. Therefore, the risk was considered low for plantations in indicator 1.4.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.4 was considered a <b>low risk</b> for plantations</p> <p>Low risk threshold (1) is met:</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Constitution of the Federative Republic of Brazil – 1988 Title VII, Chapter III Agricultural and Land Policy and Agrarian Reform</a></p> <p><a href="#">Decree n°. 5.975/2006 – Requirements for exploitation of native forests Full (Clause 29 forbids the cutting of the chestnut and rubber trees)</a></p> <p><a href="#">Decree n°. 7.830/2012 – Provides for the Rural Environmental Register System</a></p> <p><a href="#">Normative Instruction MMA 01/2015 - Criteria for the exploitation of endangered species of flora</a></p> <p><a href="#">Normative Instruction MMA 05/2006 – Technical procedures for the preparation of Sustainable Forest Management Plan – PMFS</a></p> <p><a href="#">Normative Instruction MMA n°. 5/2009 – Restoration/Recovery of APP</a></p> <p><a href="#">Normative Instruction IBAMA n°. 10/2013 – New IN of the Federal Technical Register of Activities and Instruments of Environmental Defense</a></p> <p><a href="#">Normative Instruction ICMBio n° 16/2011 – Regulates, in the scope of ICMBio, the guidelines and the administrative procedures for the approval of the communal Sustainable Forest Management Plan (PMFS) for</a></p>	<p><a href="#">Brazilian Forest Service – Annual Plan for Forest Grant (2019)</a></p> <p><a href="#">Transparency International – Corruption Perception Index (2017)</a></p> <p><a href="#">The World Bank Group – Worldwide Governance Indicators (2016)</a></p> <p><a href="#">World Economic Forum – Global Competitiveness Index (2018)</a></p> <p><a href="#">Greenpeace – Imaginary Trees, Real Destruction: how the fraud in licensing and illegal logging of Ipê are causing irreparable damages to the Amazon Forest (2018)</a></p>	Native Forests	<p><b>Overview of Legal Requirements</b></p> <p>Federal Law n° 12.651/2012, in Clause 31, provides that the exploitation of native forests always depends on a license issued by the relevant body of the National Environmental System - SISNAMA through the approval of the PMFS. Permission to harvest should be accounted for in the PMFS established by Decree n°. 5.975/2006. The document should contain, according to article 3, the following data: determination of existing stocks; intensity of exploitation compatible with the forest cycle; harvesting cycle compatible with the time for reestablishing harvested volume; and the promotion of natural regeneration of the forest.</p> <p>Article 5 of the Decree requires the submission of the Annual Operating Plan - POA to the environmental agency, containing information on the maximum volume proposed to be harvested in the 12-month period.</p> <p>Article 6 of the same Decree establishes the need to present an annual report to the environmental agency with information on the volume harvested during the prior period.</p> <p>According to IN MMA n°. 5/2006, the person responsible by the exploitation must also present the AUTEX, an annual validity document to be issued by the competent authority authorizing the start of operation of the Annual Production Unit - UPA, specifying the maximum volume to be exploited by each species.</p> <p>The IN MMA 01/2015 establishes specific procedures for the exploitation of species listed in the Official National List of Endangered Species of Flora in the Amazonian biome. CONAMA Resolution 237/1997 provides that activities that may cause environmental impacts must be licensed according to their size and location, considering their potential of environmental impact, and that they may be regulated by the SISNAMA bodies at federal, state, or municipal level. This causes the different states and cities to define the criteria for</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">exploitation of lumber resources in the interior of Extractive Reserves, Sustainable Development Reserves, and National Forests.</a></p> <p><a href="#">Normative Instruction IBAMA nº. 31/2009 – Provides for the Federal Technical Register</a></p> <p><a href="#">Law nº 12.651/2012 – Forest Code Chapter VII (Forest Exploitation)</a></p> <p><a href="#">IBAMA Administrative Decision nº. 083/1991 – Criteria for the exploitation of the aroeira (of the <i>Anacardiaceae</i> family)</a></p> <p><a href="#">CONAMA Resolution nº.1/1986 – Environmental Impact Report – RIMA</a></p> <p><a href="#">CONAMA Resolution nº. 13/1990 – Surrounding areas of conservation units</a></p> <p><a href="#">CONAMA Resolution nº 237/1997 – Guidelines for the Environmental Licensing Process</a></p> <p><a href="#">CONAMA Resolution nº 378/2006 – Defines those enterprises potentially causing national or regional environmental impact for purposes of the provisions of item III, § 1, art. 19 of Law nº. 4,771, of September 15, 1965, and provides other measures</a></p> <p><a href="#">CONAMA Resolution nº. 428/2010 – modify CONAMA Resolution nº 378/06</a></p>			<p>mandatory environmental licensing for silviculture and forest management of native forest areas.</p> <p><b>Description of Risk</b></p> <p>As shown, harvesting permits are linked to the existence of an up-to-date PMFS approved by the responsible environmental agency and, therefore, subject to the same complications related to the analysis of the application of existing legislation. As highlighted by Greenpeace (2018), the PMFS and its related documents are often elaborated based on fake inventories, allowing to generate a surplus of credits that are used to commercialize illegally harvested wood. Furthermore, one must account for risks related to corruption in accordance with the indexes of the corruption perception. Three indexes of corruption perception of international recognition are highlighted: Transparency International, the Worldwide Governance Indicators and the Competitiveness Index of the World Economic Forum. The first, published annually, analyzes the corruption of the countries in various aspects and sectors, positioning Brazil in 96<sup>th</sup> in the 2017 report, with a score of 37 out of a maximum of 100 (a drop of 17 positions and 3 points in relation to 2016). The second examines various indicators of governance, including corruption control. In this respect, Brazil obtained in 2016, a score of 38.46%. The third is an index of competitiveness, where ethics and corruption are evaluated indicators. In this index, Brazil obtained a score of 2.1 out of a maximum of seven, occupying the position 133 of 137 countries evaluated. Therefore, the management of native forests is considered specified risk because of the high probability of forest activity occurring without authorization, or with the license obtained by illegal means or in non-compliance with the procedures established by the license.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">CONAMA Resolution n°. 406/2009 – Technical procedures for preparing PMFS</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (Federal Execution Bodies: IBAMA and ICMBio; State Environmental and Municipal Bodies)</p> <p>CONAMA</p> <p>MMA - Ministry of the Environment</p> <p><b>Legally required documents or records</b></p> <p>PMFS - Sustainable Forest Management Plan – required annually</p> <p>Harvesting licenses</p> <p>Reforestation plan</p> <p>Operation License</p> <p>AUTEX - Authorization for Exploitation</p>			<p><b>Risk Conclusion</b></p> <p>Indicator 1.4 was considered <b>specified risk</b> for native forests</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
<b>Taxes and fees</b>				
1.5 Payment of royalties and harvesting fees	<p><b>Applicable laws and regulations</b></p> <p>N/A</p> <p><b>Legal Authority</b></p> <p>N/A</p>	N/A	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>There are no charging of royalties or specific taxes concerning harvesting of planted forests in Brazil.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.5 <b>does not apply</b> to forest plantations</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><b>Legally required documents or records</b></p> <p>N/A</p>			
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Law nº 8.137/1990 – Crimes against the tax and financial order, clause 1</a></p> <p><a href="#">Law nº 8.666/1993 - Bids and contracts</a></p> <p><a href="#">Law nº 11.284/2006 – Law of Public Forest Management Titles I and II – Management of Public Forests for Sustainable Production</a></p> <p><b>Legal Authority</b></p> <p>SFB - Brazilian Forest Service</p> <p>Secretariat of the Federal Revenue of Brazil</p> <p>State Department of Treasury</p> <p><b>Legally required documents or records</b></p> <p>Proof of payment of fees regarding the analysis of the management plan by the responsible environmental body</p> <p>In case of a public forest concession – proof of payment of the GRU (Union Collection Voucher) regarding the costs of the communication, lumber products explored, residual wood, non-timber products explored,</p>	<p><a href="#">Brazilian Forest Service – Economic Result of Forest Concessions – (2017)</a></p> <p><a href="#">Legislation Portal of the Federal Government – (2017)</a></p>	Native forests	<p><b>Overview of Legal Requirements</b></p> <p>The payment of royalties for forest management in native forests are restricted to cases of concession of public forests, where the concessionaire pays the State proportionately according to the wood volume exploited. This information is audited by institutions accredited. It is mandatory for the concessionaire to pay an Annual Minimum Value (VMA), whether any activity occurs or not, and this value may be reduced subsequently as the management occurs. The values paid are publicly available on the website of the Brazilian Forest Service.</p> <p>The harvesting taxes that an interested party must pay, when carrying out any economic activity (including forestry) in Brazil, are referred for analysis and approval by the administrative bodies. An example might be the analysis and approval of the management plan and the rates related to the issuance of operation permits.</p> <p>In general, companies willing to legally carry out the activity are also willing to pay the taxes. The non-payment of taxes results in the license being withheld and may cause the company to become indebted to the Government. It may also cause the confiscation of the company's property for the settlement of the pending fees.</p> <p><b>Description of Risk</b></p> <p>Considering that only legally established companies with licensed operations must pay taxes for forest management – and that the taxes do not represent a significant financial</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	services explored, and of the Annual Minimum Value defined in the concession contract.			<p>burden for the companies – the risk for this indicator is considered as low.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.5 was considered a <b>low risk</b> for native forests.</p> <p>Low risk threshold (1) is met:</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
1.6 Value added taxes and other sales taxes	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Constitution of the Federative Republic of Brazil – 1988 Title VII, Chapter III Agricultural and Land Policy and Agrarian Reform</a></p> <p><a href="#">Decree nº 7.212/2010 – Regulates the Industrialized Products Tax (IPI) Clause 24<sup>o</sup></a></p> <p><a href="#">Decree nº 8.950/2016 - Fixed the values of incidence of the Tax on industrialized products</a></p> <p><a href="#">Decree-Law nº 1.899/1981 – Institutes taxes on agricultural activities, clause 1</a></p> <p><a href="#">Law nº 8.137/1990 - Crimes against the tax and financial order, clause 1</a></p> <p><a href="#">Law nº. 8.846/1994 – Provides for the issuance of tax documents for the sale of goods.</a></p>	<p><a href="#">SINPROFAZ – National Union of the State Attorneys of the Internal Revenue - Tax Evasion in Brazil – An Estimate of the Tax Evasion of the Period of 2013 (2014)</a></p> <p><a href="#">Greenpeace – The Amazon’s Silent Crisis (2014)</a></p> <p><a href="#">Greenpeace – Blood-Stained Timber (2017)</a></p> <p><a href="#">Greenpeace – Imaginary Trees, Real Destruction: how the fraud in licensing and illegal logging of Ipê are causing irreparable</a></p>	Country	<p><b>Overview of Legal Requirements</b></p> <p>According to the 1988 Federal Constitution, article 155, it is up to the States and the Federal District to create taxes on the circulation of goods and the provision of transport services. Supplementary Law nº. 87 of September 13, 1996, known as the Kandir Law, created the Tax on the Circulation of Goods and Services (ICMS), giving States and the Federal District the right to legislate on how it will be applied. Products intended for export are exempt from taxation, according to the Constitution’s article 155, § 2º, X, a, and Kandir Law article 3, II.</p> <p>Decree nº. 1899 of 1981 created taxes applicable to agricultural and livestock activities, including the classification of plant products and monitoring of the trade of seeds and seedlings.</p> <p>Decree nº. 7.212 of 2010 regulates the Tax on Industrialized Products (IPI). The IPI tax levels were established by Decree nº. 8.850 of 2016.</p> <p>Law nº. 8.846 of 1994 addresses the issuing of tax documents during the sale of goods for the purposes of tax laws.</p> <p>Tax crimes are addressed in Law nº 8.137 of 1990.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Complementary Law nº. 07/1970 - Establishes the Social Integration Program</a></p> <p><a href="#">Supplementary Law nº. 70/1991 - Establishes the Contribution to Social Security Financing</a></p> <p><a href="#">Complementary Law nº 87/1996 - Kandir Law</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (Federal Execution Bodies: IBAMA and ICMBio; State Environmental and Municipal bodies)</p> <p>State Department of Revenue</p> <p><b>Legally required documents or records</b></p> <p>Sales tax documents</p> <p>Negative Debit Certificate of IBAMA</p> <p>Certificate of Debts Related to Federal Taxes and to the Current Debt Before the Union</p> <p>Invoice</p>	<p><a href="#">damages to the Amazon Forest (2018)</a></p>		<p>Most of the taxes paid by the industry are calculated based on the company's billings (COFINS, Income Tax, PIS, among others). The value invoiced by the company is checked according to the volume and value of the invoices issued.</p> <p><b>Description of Risk</b></p> <p>As the tax burden in Brazil is relatively high (about 35% of the final value of the product), there are practices established to evade the payment of taxes. Techniques used include the sale of products without the provision of invoice; the issuance of invoice incorporating a volume less than the actual volume delivered; or the issuance of invoice with the stated value of the product less than the actual value.</p> <p>A study carried out by National Union of National Treasury Attorneys - SINPROFAZ showed that an amount equivalent to 10% of the Brazilian GDP is the amount of tax evaded each year.</p> <p>The large diversity of taxes and the large number of relevant laws makes the tax environment confusing and prone to errors, whether deliberate or not.</p> <p>The AUTEX or AUTEF (Authorization for Exploration) is the document issued by the environmental agency giving official permit to initiate the management in a natural forest, specifying the maximum volume that can be removed. The DOF (Document of Forest Origin) and the GF (transportation document) are the documents that accompany the wood during transportation, keeping control of the quantities and species.</p> <p>These documents allow checking the validity of the invoice, by comparing the volume authorized for harvesting (AUTEX/AUTEF), the volume transported (DOF/GF) and the volume in sales documents. This way is possible to control if</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p>the sales documents are being issued accordingly and if the correct value of taxes is being payed.</p> <p>Inspections are carried out through cross-checking of information by the Secretariat of the Federal Revenue of Brazil; fiscal (internal) audits by companies; or roadblocks to verify transport documentation. However, the capability of the inspecting bodies is insufficient to reduce the existing risk.</p> <p>Since there is few information concerning this subject, the assessment of law enforcement was conducted based on the understanding of SDG specialists. The report by Sinprofaz confirms this understanding, pointing that tax evasion is a systematic problem in Brazil.</p> <p>Cases of evasion of ICMS and other taxes are common, including in the sale of wood.</p> <p>There are cases of tax evasion linked to the selling of products and services.</p> <p>According to Greenpeace (2014, 2018), there are many forms of illegality in the supply chain for native wood that can lead to fiscal frauds, such as fake forest inventories, changing the timber credits on documents and conducting logging without authorization are examples of illegal activities that may lead to evasion of sales taxes. The reports also present information on how illegal wood reaches the market, highlighting how frail is the inspection on timber's supply chain.</p> <p>Despite the effort of agencies responsible for monitoring the payment of taxes, the structure available has proven to be ineffective in impeding evasion. Cases of fraud include the sale of goods without an invoice or invoice with false information.</p> <p>Therefore, tax evasion is considered specified risk due to the high probability of the occurrence of the sale of products in conflict with the Brazilian tax legislation, both for plantations and native forests.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p><b>Risk Conclusion</b></p> <p>Indicator 1.6 was considered <b>specified risk</b> for the whole country.</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.7 Income and profit taxes	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Decree nº. 3.000/1999 – Regulates the taxation, inspection, collection, and administration of the Income Tax</a></p> <p><a href="#">Law nº. 1.578/1977 - Provides for the export tax, and gives other measures</a></p> <p><a href="#">Law nº 4.729/1965 – Defines the crime of tax evasions</a></p> <p><a href="#">Law nº 8.137/1990 - Crimes against the tax and financial order, clause 1</a></p> <p><a href="#">Law nº. 8.846/1994 – Provides for the issuance of tax documents for the sale of goods</a></p> <p><a href="#">Law nº 9.430/1996 – Institutes Income Tax on Legal Entities</a></p>	<p><a href="#">Legislation Portal of the Federal Government (2017)</a></p> <p><a href="#">Federal Revenue – Annual Inspection Plan (2017)</a></p>	Country	<p><b>Overview of Legal Requirements</b></p> <p>The corporate income tax (IRPJ) was created by Law nº. 9.430 of December 27, 1996, which establishes bases for calculating taxes, periods of calculation, forms of payment, and cases of deductions.</p> <p>Decree nº. 3.000 of March 26, 1999 regulates taxation, supervision, collection, and administration of income taxes, attributing to the Secretariat of Federal Revenue the role of supervising tax collections.</p> <p>Law nº. 4.729 of July 14, 1965 defines the crime of tax evasion, defining sanctions applicable to evaders.</p> <p>Tax crimes are established in Law nº 8.137/1990.</p> <p>The Federal Revenue of Brazil - RFB has a computerized system to collect the income taxes of all statutory individuals and entities, cross-checking data between different payers and income recipients.</p> <p>The government acts upon those who try to evade income taxes. Anyone can check if a company has any disputes with the Federal Revenue of Brazil through the RFB website.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><b>Legal Authority</b></p> <p>Federal Revenue of Brazil</p> <p><b>Legally required documents or records</b></p> <p>Income tax declaration</p> <p>Certificate of Debits Related to Federal Taxes and to the Current Debt Before the Union</p>			<p><b>Description of Risk</b></p> <p>The Federal Revenue Annual Inspection Plan shows the results of the assessments conducted by them and the amount of resources recovered through fines. According to 2017's report, the Federal Revenue recovered, in 2016, a total of R\$ 121.6 billion on fines applied over non-compliances. Data also shows that the office's inspections are becoming more and more efficient every year, with a downfall in number of cases of finings rejected by the court.</p> <p>Considering the efficiency of the Federal Revenue in identifying cases of tax evasion and in the recovering of related values, this indicator was considered low risk.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.7 was considered <b>low risk</b> for the whole country.</p> <p>Low risk threshold (1) is met:</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>
<b>Timber harvesting activities</b>				
1.8 Timber harvesting regulations	<p><b>Applicable laws and regulations</b></p> <p>N/A – specific state laws</p> <p><b>Legal Authority</b></p> <p>State government</p>	N/A	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>Brazilian legislation does not include legally established procedures for the harvest of planted forests.</p> <p><b>Description of Risk</b></p> <p>There are no legal requirements regarding technical parameters of harvesting operations; therefore, indicator 1.8 does not apply to forest plantations.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><b>Legally required documents or records</b></p> <p>The organization that sources controlled wood must consult the specific laws for the state their supply units are based in to ensure that they comply with any additional requirements.</p>			<p><b>Risk Conclusion</b></p> <p>Indicator 1.8 <b>does not apply</b> for plantations.</p>
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Normative Instruction CONAMA nº 05/2006 – Technical procedures for the preparation of Sustainable Forest Management Plan – PMFS</a></p> <p><a href="#">Decree nº. 5.975/2006 – Requirements for exploitation of native forests (clause 29 forbids the cutting of the chestnut and rubber trees)</a></p> <p><a href="#">Normative Instruction ICMBio nº 16/2011 – Guidelines for the approval of the management plan</a></p> <p><a href="#">Normative Instruction MMA nº. 1/2015 - Standards for Sustainable Management in the Amazon biome</a></p> <p><a href="#">Normative Instruction MMA nº. 4/2009 - Technical Procedures for the use of Legal Reserve</a></p> <p><a href="#">Normative Instruction MMA nº. 5/2009 – Restoration/Recovery of APP</a></p> <p><a href="#">Law nº. 12.651/2012 Forest Code. Full text, especially Chapter VII</a></p>	<p><a href="#">Imazon – Forest Management Transparency Bulletin – Mato Grosso (2011 – 2012)</a></p> <p><a href="#">Imazon – Forest Management Transparency Bulletin – Para (2011 – 2012)</a></p> <p><a href="#">Greenpeace – The Amazon’s Silent Crisis (2014)</a></p> <p><a href="#">Legislation Portal of the Federal Government (2017)</a></p> <p><a href="#">IMAZON – Deforestation in the Legal Amazon (2008 – 2017)</a></p> <p><a href="#">Greenpeace – Imaginary Trees, Real Destruction: how the fraud in licensing and illegal</a></p>	<p>Native Forests</p>	<p><b>Overview of Legal Requirements</b></p> <p>According to Clause 31 of Law nº 12.651/12 (Forest Code) the management of Brazilian native forests may be granted only upon the approval of a plan for sustainable forest management. For the plan to be approved by the relevant environmental body, it must fulfill the minimum requirements defined by normative instructions and resolutions. These normative instructions and resolutions present criteria such as the permitted management intensity, minimum cutting diameters, number of trees per species, management cycle, inventory techniques, maintenance of protected species and seeds, etc.</p> <p><b>Description of Risk</b></p> <p>Deforestation data from the Institute of Man and the Environment of the Amazon - Imazon show that illegal activities are frequent, demonstrating the difficulty of control by the environmental agencies. By carrying out management in breach of the approved management plan, the company risks infringing the technical criteria of sustainable forest management, and may exploit forbidden trees, exploit in non-licensed areas, volumes greater than authorized, or harvest trees with a diameter smaller than permitted, etc.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">CONAMA Resolution nº. 1/1986 – Environmental Impact Report – RIMA</a></p> <p><a href="#">CONAMA Resolution nº. 13/1990 – Surrounding areas of conservation units</a></p> <p><a href="#">CONAMA Resolution nº 237/1997 – Guidelines for the Environmental Licensing Process.</a></p> <p><a href="#">CONAMA Resolution nº. 406/2009 – Technical procedures for preparing PMFS</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (Federal Execution Bodies: IBAMA and ICMBio; State Environmental and Municipal Bodies)</p> <p>CONAMA</p> <p><b>Legally required documents or records</b></p> <p>Previous Authorization for the Technical Analysis of the PMFS</p> <p>PMFS - Sustainable Forest Management Plan</p> <p>POA - Annual Operational Plan</p> <p>Forest Maintenance Responsibility Statement</p> <p>Activities Report</p> <p>AUTEX - Forest Exploitation Authorization</p>	<p><a href="#">logging of Ipê are causing irreparable damages to the Amazon Forest (2018)</a></p>		<p>As stated by Greenpeace (2018), the frauds related to the PMFS are frequent, and they allow to harvest and commercialize illegal wood.</p> <p>Based on the high probability that forest management of native forests will take place without authorization or in violation of authorization, the risk associated with native forests in this indicator is specified.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.8 was considered <b>specified risk</b> for native forests.</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
1.9 Protected sites and species	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Constitution of the Federative Republic of Brazil – 1988 Title VII, Chapter III Agricultural and Land Policy and Agrarian Reform</a></p> <p><a href="#">Law nº. 12.651/12 - Forest Code. Full, especially Chapter VII (Forest Exploitation)</a></p> <p><a href="#">Decree nº 7.830/2012 - Provides for the Rural Environmental Registry System</a></p> <p><a href="#">Law nº. 9.985 / 2000 - Establishes the National System of Conservation Units of Nature (SNUC)</a></p> <p><a href="#">CONAMA Resolution nº 428/2010, which defines the buffer zone</a></p> <p><a href="#">Law nº. 5.197 / 1967 - Protection of wildlife, clause 1 (Hunting is prohibited)</a></p> <p><a href="#">Law nº. 11.428/2006 – Protection of the Atlantic Forest Clause 14 (prohibits the suppression of the primary and secondary vegetation in advanced stages)</a></p> <p><a href="#">CONAMA Resolution nº 278/2001 – Deals with the cutting and exploitation of species threatened with extinction of the flora of the Atlantic Forest.</a></p> <p><a href="#">MMA Ordinance nº. 43/2014 - Establishes the National Program for the Conservation of Endangered Species</a></p>	<p><a href="#">ICMBio – National Action Plans for the Conservation of Endangered Species or Speleological Heritage (2017)</a></p> <p><a href="#">Legislation Portal of the Federal Government (2017)</a></p> <p><a href="#">Imazon – Deforestation in Legal Amazon (2017)</a></p> <p><a href="#">ICMBio – Federal Conservation Units (2017)</a></p> <p><a href="#">MMA – State Conservation Units (2014)</a></p> <p><a href="#">Iphan – Georeferenced archeological sites (2017)</a></p>	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>Decree nº. 7.830 of October 17, 2012 regulates the Rural Environmental Registry System (SICAR).</p> <p>The 1988 Constitution via article 225, determines that it is the obligation of the government to preserve the environment through the establishment of areas protected by law.</p> <p>Law nº. 9.985 of July 18, 2000, establishes the National System of Conservation Units (SNUC), with the task of protecting biodiversity and associated resources through the creation of conservation units. The conservation units are divided into Full Protection Units (5 categories) and Sustainable Use Units (7 categories).</p> <p>Measures related to the protection of wild fauna are provided for in Law nº. 5.197 of 1967.</p> <p>The Atlantic Forest Law establishes specific directives for the protection and use of resources from this biome, considering its status as a hotspot of biodiversity. Also, related to Atlantic Forests, CONAMA Resolution nº. 278 of 2001 discusses the exploitation of species under threat of extinction in the area encompassed by the biome.</p> <p>MMA ordinance nº. 43 of January 31, 2014 establishes the National Program for the Conservation of Endangered Species (Pró-Espécies), which seeks to adopt conservation measures for endangered species. The law establishes National Action Plans to Conserve Endangered Species (PAN) intended for the establishment of actions to protect specified species.</p> <p>MMA ordinances nº 443, 444, and 445/2014 provide updated lists of endangered species of flora, fauna, and fish and aquatic invertebrates, respectively.</p> <p>Law nº. 3.924/1961 addresses archeological and pre-historical monuments, defining these places as protection sites under the responsibility of the public power. According to clause 2 of the law, the following are considered as archeological or pre-historical sites:</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">MMA Ordinance nº. 443/2014 - List of endangered species of flora</a></p> <p><a href="#">MMA Ordinance nº. 444/2014 - List of endangered species of fauna</a></p> <p><a href="#">MMA Ordinance nº. 445/2014 - List of endangered species of fish and aquatic invertebrates</a></p> <p><a href="#">MMA Ordinance nº. 98/2015 – modify MMA Ordinance nº. 445/2014</a></p> <p><a href="#">MMA Ordinance nº. 163/2015 – modify MMA Ordinance nº. 445/2014</a></p> <p><a href="#">Decree nº 3.607/2000 – CITES guidelines.</a></p> <p><a href="#">Decree nº. 6.514/2008 – provides for violations and administrative sanctions to the environment, establishes the federal administrative process for the verification of these violations, and provides for other matters. Subsection II</a></p> <p><a href="#">Law nº. 3.924/1961 – Addresses the archeological and pre-historic monuments</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (IBAMA and ICMBio; State and Municipal Environmental Bodies)</p>			<p>a) Deposits of any species, origin or finality, which represent testifying of Brazilian paleo-amerindians culture, such as middens, artificial mounts, sepulchral pits, graves and others non-specified but with similar value, subject to evaluation of legal authority;</p> <p>b) Sites containing remains of occupation by paleo-amerindians, such as caves;</p> <p>c) Sites identified as graveyards, tombs or prolonged rest sites or villages, where can be found human traces of archeological or paleo-etnographic interest;</p> <p>d) Rock inscriptions or places with grooves for polishing of tools and other traces of paleo-amerindians activity.</p> <p><b>Description of Risk</b></p> <p>Imazon data on Amazon deforestation and MMA data on deforestation on other biomes show that illegal deforestation is systematic. By crossing these data with MMA's data on conservation units is possible to verify that many of these deforestation cases occur inside conservation units.</p> <p>Furthermore, analysis of archeological sites data from Iphan shows that these sites are widespread throughout the whole country, frequently overlapped with human activities that can cause damage to these resources.</p> <p>Concerning the management of forests, damages to those areas can be related to machinery traffic, leading to soil compaction and erosion, or to sedimentation caused by erosion, as well as the felling of trees over those sites.</p> <p>The indicator was considered specified risk considering the widespread presence of conservation units (CU) and archeological sites throughout most of the country, adding to the numerous cases of illegal harvesting occurring inside</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><b>Legally required documents or records</b></p> <p>Environmental license for wood harvested in APPs (Permanent Preservation Areas)</p> <p>AUTEX - Forest Exploitation Authorization</p> <p>Agreement of Environmental Bodies for the management of areas near Conservation Units;</p> <p>National System of Conservation Units</p> <p>Rural Environmental Registry System (SiCAR)</p>			<p>protected areas. Even though the presence of CU or archeological sites does not prove the existence of the indicator's violation, the lack of information to assess the threats to protected sites and species has led to the adoption of the precautionary approach.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.9 was considered a <b>specified risk</b> for plantations. Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Constitution of the Federative Republic of Brazil – 1988 Title VII, Chapter III Agricultural and Land Policy and Agrarian Reform</a></p> <p><a href="#">Decree nº. 5.975/2006 – Requirements for exploitation of native forests. Full text.</a></p> <p><a href="#">Law nº. 12.651/2012 Forest Code. Full, especially Chapter VII</a></p> <p><a href="#">Decree nº 7.830/2012 - Provides for the Rural Environmental Registry System</a></p> <p><a href="#">Law nº. 9.985/2000 - Establishes the National System of Conservation Units of Nature</a></p> <p><a href="#">Law nº. 5.197 / 1967 - Protection of wildlife, Clause 1 (Hunting is prohibited)</a></p>	<p><a href="#">WWF – State of the Amazon – Ecological representation in protected areas and indigenous territories (2014)</a></p> <p><a href="#">ICMBio – National Action Plans for the Conservation of Endangered Species or Speleological Heritage (2017)</a></p> <p><a href="#">IBAMA - License for the import or export of flora and fauna - CITES and non-CITES</a></p>	Native Forests	<p><b>Overview of Legal Requirements</b></p> <p>The 1988 Constitution via article 225, determines that it is the obligation of the government to preserve the environment through the establishment of areas protected by law.</p> <p>Law nº. 9.985 of July 18, 2000 establishes the National System of Conservation Units (SNUC), with the task of protecting biodiversity and associated resources through the creation of Conservation Units. The conservation units are divided into Full Protection Units (5 categories) and Sustainable Use Units (7 categories).</p> <p>Measures related to protection of wild fauna are provided in Law nº. 5.197 of 1967.</p> <p>The Atlantic Forest Law establishes specific directives for the protection and use of resources from this biome, considering its status as a hotspot of biodiversity. Also, related to Atlantic Forests, CONAMA Resolution nº. 278 of 2001 discusses the exploitation of species under threat of extinction in the area encompassed by the biome.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Law nº. 11.428/2006 – Protection of the Atlantic Forest Clause 14 (prohibits the suppression of the primary and secondary vegetation in advanced stages)</a></p> <p><a href="#">CONAMA Resolution nº 278/2001 – Deals with the exploration of endangered species of flora of the Atlantic Forest</a></p> <p><a href="#">MMA Ordinance nº. 43 - Establishes the National Program for the Conservation of Endangered Species</a></p> <p><a href="#">MMA Ordinance nº. 443/2014 - List of endangered species of flora</a></p> <p><a href="#">MMA Ordinance nº. 444/2014 - List of endangered species of fauna</a></p> <p><a href="#">MMA Ordinance nº. 445/2014 - List of endangered species of fish and aquatic invertebrates</a></p> <p><a href="#">MMA Ordinance nº. 98/2015 – modify MMA Ordinance nº. 445/2014</a></p> <p><a href="#">MMA Ordinance nº. 163/2015 – modify MMA Ordinance nº. 445/2014</a></p> <p><a href="#">Decree nº 3.607/2000 – CITES guidelines.</a></p> <p><a href="#">Decree nº. 6.514/2008 – provides for the violations and administrative sanctions to the environment. Subsection II</a></p>	<p><a href="#">Imazon – Deforestation in Legal Amazon (2017)</a></p> <p><a href="#">Brazilian Government - Legislation Portal of the Federal Government (2017)</a></p>		<p>MMA ordinance nº. 43 of January 31, 2014 establishes the National Program for the Conservation of Endangered Species (Pró-Espécies), which seeks to adopt conservation measures for endangered species. The law establishes National Action Plans to Conserve Endangered Species (PAN) intended for the establishment of actions to protect specified species.</p> <p>MMA ordinances 443, 444, and 445/2014 provide updated lists of endangered species of flora, fauna, and fish and aquatic invertebrates, respectively.</p> <p>Decree nº. 3.607 of 2000 discusses the directives established by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).</p> <p>Decree nº. 6.541 of 2008 establishes environmental infractions and sanctions, as well as administrative procedures to investigate infractions.</p> <p>Law Nº. 3.924/1961 addresses archeological and pre-historical monuments, defining these places as protection sites under the responsibility of the public power. According to clause 2 of the law, the following are considered as archeological or pre-historical sites:</p> <ol style="list-style-type: none"> <li>a) Deposits of any species, origin or finality, which represent testifying of Brazilian paleo-amerindians culture, such as middens, artificial mounds, sepulchral pits, graves and others non-specified but with similar value, subject to evaluation of legal authority;</li> <li>b) Sites containing remains of occupation by paleo-amerindians, such as caves;</li> <li>c) Sites identified as graveyards, tombs or prolonged rest sites or villages, where can be found human traces of archeological or paleo-etnographic interest;</li> <li>d) Rock inscriptions or places with grooves for polishing of tools and other traces of paleo-amerindians activity.</li> </ol> <p>A World Wide Fund for Nature - WWF publication, “State of the Amazon: Ecological Representation in Protected Areas and</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Law n°. 3.924/1961 – Addresses the archeological and pre-historic monuments</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (IBAMA and ICMBio; State and Municipal Environmental Bodies)</p> <p>CONAMA</p> <p><b>Legally required documents or records</b></p> <p>Environmental license for wood harvested in APP (Permanent Preservation Areas)</p> <p>AUTEX - Forest Exploitation Authorization</p> <p>Agreement of Environmental Bodies for the management of areas the Conservation Units</p> <p>SNUC - National System of Conservation Units</p> <p>SiCAR - Rural Environmental Registry System</p> <p>CAR - Rural Environmental Registry</p>			<p>Indigenous Territories” shows that the Amazon protected areas are threatened by human activity. Small-scale deforestation is driven mostly by agriculture and occupation alongside rivers. Large-scale deforestation, however, increased in the middle of the 20<sup>th</sup> Century. This destruction was largely the result of land conversion driven by a complex range of factors, including land speculation, land grabbing associated with the price of the land, new road routes and access to the rainforest, large-scale agriculture and cattle ranching.</p> <p>Today these threats persist. The prevalence of agribusiness including cattle, soy, palm oil and sugarcane – along with the continuation of land speculation – has drastically accelerated deforestation.</p> <p><b>Description of Risk</b></p> <p>In native forests, risks related to the potential impact of wood sourcing on protected sites or species may be related to unapproved management or deforestation in protected areas. Despite the extensive legal framework existing in Brazil for defining protected areas, the inspection system is insufficient to ensure that the risk of damage is low in these areas. However, the measures adopted in the management must consider the protection and maintenance of the conservation of native forests.</p> <p>The indicator was classified as specified risk considering the wide presence of conservation units (CU) and archaeological sites throughout Brazil, in addition to the numerous identified cases of illegal conversions occurring within conservation units. Although the presence of CU or archaeological sites is not an immediate evidence of violation of indicator 1.9, the lack of information to assess threats to protected sites and species led to the adoption of the precautionary approach.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p><b>Risk Conclusion</b></p> <p>Indicator 1.9 was considered <b>specified risk</b> for native forests.</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.10 Environmental requirements	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Law n°. 6.938 / 1981 - National Policy on the Environment</a></p> <p><a href="#">Law n°. 12.651/12 Forest Code. Full, especially Chapter VII</a></p> <p><a href="#">MMA Normative Instruction n°. 4/2009 - Technical Procedures for the use of Legal Reserve</a></p> <p><a href="#">Law n°. 9.985/2000 - Establishes the National System of Conservation Units of Nature</a></p> <p><a href="#">Normative Instruction IBAMA n°. 05/2009 – Environmental Declaratory Act</a></p> <p><a href="#">Decree n° 8.235/2014 - Regulates the Environmental Regularization Programs</a></p> <p><a href="#">Law n°. 9.605/1998 - Provides for criminal and administrative sanctions derived from conducts</a></p>	<p><a href="#">Imazon – Deforestation in the Legal Amazon (2017)</a></p> <p><a href="#">SOS Mata Atlântica – Atlas of the Atlantic Forest Remnants (2014-2015)</a></p> <p><a href="#">Transparency International – Corruption Perception Index (2017)</a></p> <p><a href="#">The World Bank Group – Worldwide Governance Indicators (2016)</a></p> <p><a href="#">World Economic Forum – Global Competitiveness Index (2018)</a></p> <p><a href="#">Brazilian Government - Legislation Portal of the</a></p>	Country	<p><b>Overview of Legal Requirements</b></p> <p>Law n°. 6.938 of August 31, 1981 establishes the National Environmental Policy, with the aim of improving the quality of the environment, seeking to increase the quality of life and conditions for socioeconomic development. The law determines the preservation of soil and water resources, the protection of ecosystems, the recovery of degraded areas, and environmental monitoring, among other issues.</p> <p>Law n° 12.651 of May 25, 2012, the National Forest Code, establishes areas to be protected on all rural properties in the form of Permanent Preservation Areas (APP) and Legal Reserves (RL).</p> <p>The APP are areas to be protected on rural or urban properties, delimited around water courses, lakes and natural ponds, artificial reservoirs, springs, hillsides, sandbanks, mangrove swamps, edges of plateaus, hilltops, elevated areas, and cerrado valleys.</p> <p>The RL areas are defined as protected areas on rural properties only, conserving native vegetation as a percentage of the total area of the property.</p> <p>The demarcation of conservation units by the SNUC seeks to protect biodiversity and associated values.</p> <p>The Environmental Declaratory Act (ADA) determined by the IBAMA Normative Instruction of 2009 seeks to register areas</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">and activities harmful to the environment, and other measures. Chapter IV</a></p> <p><a href="#">Law nº. 9.433/1997 – National Water Resources Management System Clause 49 (Violations and penalties in the use of the water)</a></p> <p><a href="#">Law nº. 8.171/1991 – Agrarian Policy Clause 102 and 103 – Soil damage (Erosion)</a></p> <p><a href="#">CONAMA Resolution nº. 1/1986 – Environmental Impact Report – RIMA</a></p> <p><a href="#">Law nº. 12.305/2010 – Implemented the Nacional Policy for Solid Residues Section V</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (IBAMA and ICMBio; State and Municipal Environmental Bodies)</p> <p><b>Legally required documents or records</b></p> <p>Operation license</p> <p>CTF - Federal Technical Register</p> <p>ADA - Environmental Declaratory Act</p>	<p><a href="#">Federal Government (2017)</a></p>		<p>of environmental interest on rural properties or exemption from the ITR.</p> <p>Decree nº. 8.235 of May 5, 2014 regulates the Programs for State Environmental Regularization, establishing the need for the recovery of areas illegally converted and degraded by rural landowners fined by environmental agencies.</p> <p>Law nº. 9.695 of 1998 establishes penal and administrative sanctions for environmental damage.</p> <p>The protection of water resources is established by Law nº. 9.433 of 1997 which created the National System for the Management of Water Resources.</p> <p>The environmental licensing of activities with a potential impact must be preceded by an environmental impact analysis. The CONAMA Resolution nº 01/86 (Clause 2 Inc XIV) stipulates that in wood exploitation or firewood extraction activities in areas over 100 ha (or smaller when approaching significant areas in percentage terms, or of importance in an environmental context), the requirement exists for a formal document known as the Study and Report of Environmental Impact (EIA/RIMA).</p> <p><b>Description of Risk</b></p> <p>In general, the responsible body links the validity of the operational license to environmental conditions. If these conditions are not fulfilled, the license will be invalid.</p> <p>Due to the large area, the difficulties of access and resulting reduced supervisory power of regulatory authorities, the areas of activity are rarely inspected to verify compliance with environmental conditions.</p> <p>However, one should consider the high levels of corruption observed in Brazil. Three indexes of corruption perception of international recognition are highlighted: Transparency International, the Worldwide Governance Indicators and the Competitiveness Index of the World Economic Forum. The</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p>first, published annually, analyzes the corruption of the countries in various aspects and sectors, positioning Brazil in 96<sup>th</sup> in the 2017 report, with a score of 37 out of a maximum of 100 (a drop of 17 positions and 3 points in relation to 2016). The second examines various indicators of governance, including corruption control. In this respect, Brazil obtained, in 2016, a score of 38.46%. The third is an index of competitiveness, where ethics and corruption are evaluated indicators. In this index, Brazil obtained a score of 2.1 out of a maximum of seven, occupying position 133 of 137 countries evaluated.</p> <p>Considering the possibility that forestry activities are undertaken using techniques that damage the environment; or the existence of corruption, it is considered that there is specified risk in relation to this indicator, both for native forests and for plantations.</p> <p>Risks related to the potential impact of wood consumption may relate to: damage to Permanent Preservation Areas and Legal Reserve Areas.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.10 was considered <b>specified risk</b> for the whole country.</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.11 Health and safety	<b>Applicable laws and regulations</b>	<a href="#">MTE – Electronic Certificate of Labor Debts</a>	Country	<p><b>Overview of Legal Requirements</b></p> <p>Adequate occupational health and safety conditions are required by the Ministry of Labor and Employment's (MTE)</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Administrative Decision MTE nº. 3.214/1978 – Regulatory Standards of the Ministry of Labor and Employment</a></p> <p><a href="#">Regulatory Standard nº. 31 – Occupational Safety and Health in Agriculture, Livestock, Forestry, Timber Harvesting and Aquaculture.</a></p> <p><a href="#">Administrative Decision MTE nº. 3.158/1971 Creates the Work Inspection Book</a></p> <p><a href="#">Regulatory Standards MTE</a></p> <p><a href="#">Decree-Law nº. 2848/1940 – Brazilian Penal Code</a></p> <p><a href="#">Ordinance nº. 1421/2014 – Creates the Debt Certificate</a></p> <p><b>Legal Authority</b></p> <p>MTE - Ministry of Labor and Employment</p> <p>DRT - Regional Labor Agency</p> <p>MPT - Labor Public Attorney</p> <p><b>Legally required documents or records</b></p> <p>PPRA - Program for the Prevention of Environmental Risks</p> <p>PCMSO - Program for the Medical Control of Occupational Health</p>	<p><a href="#">Repórter Brasil – Data on slave labor in Brazil (1995-2015)</a></p> <p><a href="#">MTE – Ministry of Labor and Employment – Regulatory Standards (2017)</a></p> <p><a href="#">Reporter Brasil – Definition of work analogous to slavery</a></p> <p><a href="#">Secretariat of Labor Inspection – Statics and Information Dashboard of Labor Inspection in Brazil</a></p>		<p>Regulatory Standards. Altogether, there are 36 Standards in effect. These Standards were instituted by MTE Decree nº. 3.214 of 1978.</p> <p>Regulatory Standard 31 deals with Occupational Health and Safety in Agriculture, Livestock, Forestry, Timber Harvesting, and Aquaculture, addressing labor conditions in forestry activities. It deals with issues related to pesticides, environment and waste, manual tools, agricultural tools and machine safety, transportation and housing of workers, transport of cargo, and rural buildings.</p> <p>MTE Administrative Decision nº. 3.158 of 1971 addresses the requirement of a work inspection book, a standardized document that must be maintained by all companies, which labor inspectors use to hold all annotations detected at the company.</p> <p>The Ministry of Labor and Employment, through the Labor Inspection Secretariat, provides an online system to supply Electronic Labor Debt Certificates (CEDT) (Ordinance nº. 1421/2014) which allows interested parties to issue and authenticate certificates related to the existence of labor lawsuits against specific corporate entities.</p> <p><b>Description of Risk</b></p> <p>Forest management in Brazil, in some cases, is still accomplished with low mechanization and a large amount of human effort, especially on small farms and for the management of native forests. This type of activity creates risks for the health and security of workers because it includes chemical, physical and even biological risks (such as poisonous animals and endemic illnesses).</p> <p>The sector has a very low degree of professionalization, and a large proportion of the workers learned how to work in a practical way, with no professional guidance. That fact, added to a persistent culture that treats as unimportant the issue of</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p>Minutes of the CIPA/CIPATR</p> <p>Work Inspection Book</p> <p>Delivery Voucher of IPE (Individual Protection Equipment)</p> <p>ASO - Occupational Health Certificate</p> <p>SSO Training Proof (for operators of chainsaws, machine operators and application of herbicides, etc.) (XI/ XIV/ XV)</p> <p>CEDT - Electronic Labor Debt Certificates</p>			<p>occupational health and safety, results in a large number of workers exposed to risks beyond legal limits.</p> <p>The reports generated by the NGO Reporter Brasil, bring data about slave labor in Brazilian territory, demonstrating that many situations of labor analogous to slavery still occur, even in the forest sector, as well as numerous violations of labor rights.</p> <p>The concept of labor analogous to slavery in Brazil includes violations of labor rights, such as violation of health and safety measures. These are also defined as degrading labor conditions, as stated by the Brazilian Penal Code, Decree-Law nº. 2848/1940, section 149. The NGO Reporter Brasil also understands that degrading labor conditions can be defined as conditions that are incompatible with human dignity, characterized by the violation of fundamental rights, including disrespect to health and safety measures. This way, data from NGO Reporter Brasil on slave work were also used to assess this indicator.</p> <p>Ministry of Labor and Employment inspections have resulted in countless companies being sued for lack of minimum health and safety work conditions, as well as for irregularities associated with worker contracting and compensations.</p> <p>The Secretariat of Labor Inspection, through the Statics and Information Dashboard of Labor Inspection in Brazil, presents figures about notices related to labor inspections. According to those data, from 2016 to 2018 16,224 notices related to labor health and safety requirements in the Regulatory Standard 31 were applied to employers in the category “Agriculture, Livestock, Forest Production, Fishing and Aquiculture”. Those notices were distributed through all Brazilian states, including matters such as usage of personal safety equipment and pesticides.</p> <p>National Classification of Economic Activities (CNAE), described on MTE Regulatory Standard No. 4 (Specialized</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p>Services in Labor Safety Engineering and Labor Medicine), classifies forest activity as risk level 3 – for plantations – and 4 – for native forests. The risk level is a numerical value between 1 and 4 indicating the intensity of risk for a company’s main economic activity (4 is the highest risk).</p> <p>Due to the large number of notices related to health and safety and the prevailing culture related to health and occupational safety, this indicator is considered to be specified risk for both plantations and native forests.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.11 was considered <b>specified risk</b> for the whole country.</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.12 Legal employment	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Law nº 10.406 / 2002 - Civil Code</a></p> <p><a href="#">Decree-Law nº. 5.452 / 1943 Approves the Consolidation of Labor Laws – CLT.</a></p> <p><a href="#">Law nº 8.036/1990 – FGTS Law</a></p> <p><a href="#">Law nº 13.134 / 2015 - Unemployment Insurance</a></p>	<p><a href="#">Secretariat of Labor Inspection – Information System on Child Labor Focus</a></p> <p><a href="#">World Bank – Governance Indicators (2016)</a></p> <p><a href="#">Legislation Portal of the Federal Government 2017</a></p>	Country	<p><b>Overview of Legal Requirements</b></p> <p>Brazil has a broad legal framework relating to the legality of employment. The Decree–Law nº 5452/1943 (Consolidation of the Labor Laws – CLT) is the main guideline on this matter. Its Clause 41 stipulates that all workers must be registered by the company employer. Other employee rights are also addressed, such as the maximum permitted length of the work day, rest periods, paid vacation, minimum wage, maternity leave, and other guarantees, as well as sanctions that can be applied to employers who violate the stipulated norms. Other points present workday rules, paid rest, child and woman labor, compensation, unionization, and others matters.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Law nº 4.090/1962 – Thirteenth salary and Christmas Bonus</a></p> <p><a href="#">Law nº 605/1949 – Compensation for Weekly Rest</a></p> <p><a href="#">Decree nº 3.048/1999 – Regulates the Social Security Chapter I</a></p> <p><a href="#">Law nº 5.889/1973 – Rules for Rural Labor</a></p> <p><a href="#">Normative instruction RFB nº. 971/2009 – provides for social security taxation rules on the collection of social contributions Clause 6</a></p> <p><a href="#">Law nº 8.212/1991 – Provides for the organization of the Social Security, creates the Funding Plan, and provides for other matters. Clause 11</a></p> <p><a href="#">Law nº 3.030/1956 – Discount due to the Supply of Food</a></p> <p><a href="#">Law nº 4.749/1965 – Thirteenth Salary</a></p> <p><a href="#">Administrative Decision MTE nº 768/2014 – Approves instructions for the provision of information by the employer, relative to the movements of employees, for the purpose of the CAGED and unemployment compensation</a></p> <p><a href="#">Law nº 7.418/1985 – Transportation Voucher</a></p> <p><a href="#">Law nº 9.601/1998 – Work Contract</a></p>	<p><a href="#">Reporter Brasil – Data on forced labor in Brazil. (1995-2015)</a></p>		<p>Regarding minimum age for employment, the law stipulates that it is forbidden to hire employees younger than 16, except when hiring apprentices with 14 years or older. Underage employees are prohibited from working in unhealthy conditions and from working night shifts. Other labor rights are addressed in the following norms: Law nº. 13.134/2015 (unemployment insurance); Law nº. 8.036/1990 (Time of Service Guarantee Fund – FGTS); Law nº. 4.090/1962 (Christmas bonus); Law nº. 605/1949 (paid weekly rest).</p> <p>It is also worth noting Decree nº. 3.048 of May 6, 1999, which regulates Social Security. Law nº. 5.889 of June 8, 1973 establishes specific norms for rural work.</p> <p>Outsourcing is accounted for in the Civil Code being understood as the provision of service not subject to the CLT. Outsourcing is considered, for legal purposes, as a legal contract for a defined period and restricted to non-core employer activities.</p> <p>Law nº. 13467/2017 recently amended several provisions of the CLT, loosen several issues related to the obligations of the parties. The new requirements came into force in the end of 2017.</p> <p>Law nº. 13445/2017, which addresses the immigration policy, aims at providing the migrant free and equal access to labor, ensuring visa emission in cases of employment relationship previously established.</p> <p><b>Description of Risk</b></p> <p>The inspections carried out by the Ministry of Labor and Employment are insufficient to ensure compliance with the law, specifically in the rural sector. The results obtained during inspections, such as the labor analogous to slavery list, demonstrate that there are serious issues in the sector. Among the 590 companies fined by the Ministry of Labor and</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Law nº 10.101/2000 – Profit Sharing</a></p> <p><a href="#">Law nº 10.820/2003 - Discounts of Installments in the Payroll</a></p> <p><a href="#">CONAMA Resolution nº. 425/2010 – Characterization of a Family Rural Enterprise</a></p> <p><a href="#">Law nº 4.266/1963 – Family Wage</a></p> <p><a href="#">Law nº 4.725/1965 – Collective Agreements</a></p> <p><a href="#">Law nº 4.923/1965 – Work Hours</a></p> <p><a href="#">Law nº. 7.783/1989 – Strikes</a></p> <p><a href="#">Law nº. 9.029/1995 – Admission to Work</a></p> <p><a href="#">Law nº. 9.093/1995 – Holidays</a></p> <p><a href="#">Law nº 10.097/2000 – Child Labor</a></p> <p><a href="#">Law nº. 13.467/2017 - Alters the Consolidation of Labor Laws (CLT)</a></p> <p><a href="#">Law nº. 13.445/2017 – Institutes the Migration Law</a></p> <p><b>Legal Authority</b></p> <p>Federal Revenue of Brazil</p> <p>MTE – Ministry of Labor and Employment</p>			<p>Employment for work analogous to slavery, 37 cases were related to forest management (MTE – Employers Register that submitted workers to conditions analogous to slavery). In general, the labor laws are not well respected in the forest sector in Brazil. This is corroborated by the index of 'Rule of Law' of about 50 (on a scale from 0 to 100 where 100 is good), instituted by the World Bank.</p> <p>Considering the probability of a forest worker having his labor rights disregarded, the precautionary approach has been adopted and this indicator was considered specified risk.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.12 was considered a <b>specified risk</b> for the whole country</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p>TST – Higher Labor Court</p> <p>TRT – Regional Labor Court</p> <p>DRT – Regional Labor Agency</p> <p>CEF – Federal Savings Bank</p> <p>INSS – National Social Security Institute</p> <p><b>Legally required documents or records</b></p> <p>Employment and Social Security Card</p> <p>CAGED Statement – General Register of Employees and Unemployed</p> <p>Collective Agreement recorded in MTE</p> <p>CNDT (CEDT) – Negative Certificate of Labor Law Debit</p> <p>CRF – FGTS Regularity Certificate</p> <p>Salary Receipt or Proof of Deposit in Checking Account</p> <p>CTPS – Work and Social Security Booklet</p>			
<b>Third parties' rights</b>				
1.13 Customary rights	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Constitution of the Federal Republic of Brazil – 1988 Chapter VIII (Indians)</a></p>	<p><a href="#">INCRA – Agrarian Reform Process - land acquisition (2017)</a></p>	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>The issue of customary law with respect to forest plantation activity is restricted to the question of land tenure and use, as it is not directly related to other issues associated with the use</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Law nº. 4.504/1964 - Land Statute</a></p> <p><a href="#">Law nº. 4.947/1966 - Norms of Agrarian Law</a></p> <p><a href="#">Law nº 8.629/1993 - Regulation of provisions of Agrarian Reform</a></p> <p><a href="#">Decree nº. 6040/2007 – Institutes the National Policy for the Sustainable Development of Traditional Population</a></p> <p><a href="#">Decree nº. 1.775 / 1996 - Regulates the demarcation of indigenous lands</a></p> <p><a href="#">Decree nº. 4.887/2003 – Regulates the demarcation of Quilombola communities' lands</a></p> <p><a href="#">Decree nº 8.750 / 2016 - Establishes the National Council of Traditional Peoples and Communities</a></p> <p><b>Legal Authority</b></p> <p>National Institute of Colonization and Agrarian Reform - INCRA</p> <p><b>Legally required documents or records</b></p> <p>-</p>	<p><a href="#">INCRA – White Paper on Illegal Land Grabbing (2014)</a></p>		<p>of genetic or intellectual heritage of traditional populations, since only planted species are used. Also, there is no legislation covering the sharing of benefits in harvesting activities.</p> <p>Land policy, as explained in indicator 1.1, is made up of regulations and instruments aimed at guaranteeing the right of possession and use to legitimate owners, either through the protection of the acquired right or the restitution of the right, through agrarian reform.</p> <p><b>Description of Risk</b></p> <p>The risks associated with violation of customary rights in the forest plantation activity are related to recurring cases of illegal possession of lands throughout the country. Such cases can be verified in the White Paper on Illegal Land Grabbing. Customary right is a right that comes from the tradition and can be linked to different life aspects of communities and social groups, whether recognized as traditional or not. Considering the extension of the Brazilian territory and its immense cultural diversity, the occurrence of customary rights must be evaluated for each case. It is not rare to find, in different regions of the country, forest management areas (plantations or native forests) coexisting with communities associated to unique cultural identity and customary rights. There is a lack of information about the enforcement of the laws related to these rights. However, cases of disrespect with traditional rights concerning land use rights and cases of violence against indigenous people are frequent in the whole country. For this reason, the precautionary approach was applied for this indicator.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.13 was considered <b>specified risk</b> for plantations.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Constitution of the Federative Republic of Brazil – 1988 Chapter VIII (Indians)</a></p> <p><a href="#">Law nº. 9.985 / 2000 - Establishes the National System of Conservation Units of Nature</a></p> <p><a href="#">Decree nº. 1.775 / 1996 - Regulates the demarcation of indigenous lands</a></p> <p><a href="#">Decree nº. 4.887/2003 – Regulates the demarcation of Quilombola communities' lands</a></p> <p><a href="#">Decree nº. 5.051/2004 – Enacts Convention No. 169 of ILO</a></p> <p><a href="#">Decree nº. 485/2006 –Convention on the Protection and Promotion of the Diversity of Cultural Expressions Clause 1</a></p> <p><a href="#">Decree nº. 5.753/2006 – Enacts the Convention for the Protection of the Immaterial Cultural Assets.</a></p> <p><a href="#">Decree nº. 6.040/2007 – Establishes the National Policy for the Sustainable Development of the Traditional People and Communities.</a></p>	<p><a href="#">Pastoral Land Commission – Rural Conflicts Brazil</a></p> <p><a href="#">Brazilian Government - Legislation Portal of the Federal Government (2017)</a></p> <p><a href="#">Ministry of Justice – FUNAI portal</a></p> <p><a href="#">Greenpeace – Blood-Stained Timber (2017)</a></p>	Native Forests	<p><b>Overview of Legal Requirements</b></p> <p>Decree nº 6.040/07 defines Traditional People and Communities as: culturally differentiated groups that acknowledge themselves as such and maintain their own social organization, and which occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral, and economic reproduction, using knowledge, innovation and practices generated and transmitted by tradition.</p> <p>The same decree also defines Traditional Territories as: the spaces necessary for the cultural, social and economic reproduction of the Traditional People and Communities, whether they are used in permanent or temporary form.</p> <p>According to the Ministry of Environment, Brazilian traditional people and communities include the following groups: Indigenous people, Quilombolas (descendants of rebelled slave communities), Seringueiros (latex collectors), Castanheiros (Brazilian nut collectors), Quebradeiras de coco-de-babaçu (Babaçu coconut-breakers), Comunidades de Fundo de Pasto (back pasture communities), prairie dwellers, artisan fishermen, Marisqueiras (shellfish collectors), Ribeirinhos (riverside dwellers), Varjeiros (mangrove dwellers), Caiçaras and Praieiros (seashore dwellers), Sertanejos (farm dwellers), Jangadeiros (raft fishermen), gypsies, Açorianos (descendants of settlers from the Azores) and other backwoods and river community workers.</p> <p>The 1988 Constitution, in article 216, recognizes as the cultural heritage of Brazil the material and immaterial assets that represent the identity of different groups that constitute</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Decree nº 8.750 / 2016 - Establishes the National Council of Traditional Peoples and Communities</a></p> <p><a href="#">Act nº. 6.001/1973 – Statute of the Indians Title III</a></p> <p><a href="#">Law nº 11.284/2006 - Provides for the management of public forests for sustainable production</a></p> <p><a href="#">Inter-Ministerial Administrative Decree nº. 419/2011 – Enacts the actuation of offices and entities of the Public Federal Administration involved in environmental licensing</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (IBAMA and ICMBio; State and Municipal Environmental Agencies)</p> <p>FUNAI – National Foundation for Indigenous People</p> <p>FCP – Palmares Cultural Foundation</p> <p>IPHAN – Institute of the National Historic and Artistic Heritage</p> <p><b>Legally required documents or records</b></p> <p>In cases of forest management in areas nearby Indian Reserves, Environmental License</p>			<p>Brazilian society, including forms of expression, lifestyles, scientific, artistic and technological knowledge, works and spaces intended for artistic and cultural manifestations, and sites of historical and cultural value.</p> <p>Regarding sub-constitutional legislation, Decree nº. 1.775 of January 8, 1996 regulates the administrative procedures for demarcating indigenous lands.</p> <p>Decree nº. 4.887 of November 20, 2003 establishes procedures for identifying, recognizing, delimiting, demarcating, and providing titles for quilombola lands.</p> <p>Decree nº. 5.051 of 2004 promulgated Convention 169 of the International Labour Organization (ILO), which deals with rights of indigenous and tribal peoples.</p> <p>Legislative Decree nº. 485 of 2006 approves the text of the Convention on the Protection and Promotion of the Diversity of Cultural Expression.</p> <p>The Convention for the Safeguarding of Intangible Cultural Heritage, adopted in Paris in 2003, was promulgated in Brazil through Decree nº. 5.753 of 2006.</p> <p>Decree nº. 6.040 of February 7, 2007 instituted the National Policy for the Sustainable Development of Traditional Peoples and Communities (PNPCT), seeking to recognize, value, and respect different traditional communities and peoples, as well as their visibility, access to knowledge, food safety, improved life quality, participation in civil society, and the preservation of cultural heritage, among other guarantees.</p> <p>The previously mentioned decree, in article 3, paragraph I, stresses the importance of “guaranteeing traditional communities and peoples their territories and access to natural resources that they traditionally use for their physical, cultural, and economic reproduction.” Paragraph IV includes as one of the aims of the PNPCT “guaranteeing the rights of traditional communities and peoples affected directly or indirectly by projects, construction, and infrastructure developments.”</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	issued by IBAMA and endorsed by the legally competent agencies (FUNAI, FCP, IPHAN)			<p>Decree nº. 8.750 of May 9, 2016 establishes the National Council of Traditional Communities and Peoples, seeking to promote the sustainable development of traditional communities, ensuring their territorial, socioenvironmental, economic, and cultural rights and to the use of their traditional knowledge.</p> <p>Concerning forestry activities, Law nº. 11.284/2006 which deals with the management of public forests, establishes the allocation of forests, prior to the carrying out of concessions, to local communities through the creation of extractives reserves and of sustainable development (in accordance with Law nº. 9.985/2000), the creation of forest settlement projects, and other forms of providing forests to traditional peoples.</p> <p>Law nº 9985/2000, defines the concept of Extractive Reserve as an area used by traditional populations that make use of the available resources for their subsistence. These areas aim at preserving the traditional livelihood and culture of these populations.</p> <p>The Inter-ministerial administrative decree issued by the Ministry of Environment under nº. 419/2011 states that, upon the act of application for an environmental license for activities in the vicinity of Indigenous or Quilombola lands, the applicant must inform IBAMA of this fact; so that it will consult with the entities involved. It might be necessary to prepare an EIA/RIMA (Environmental Impact Study and Report) following public consultation.</p> <p><b>Description of Risk</b></p> <p>Laws exist in Brazil in relation to the rights of traditional and Indigenous communities to access forest resources; however – due to the large number, diversity and scattered nature of traditional communities – there is risk that there will be a low level of compliance with the relevant legislation.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p>According to Greenpeace Blood-Stained Timber report (2017), illegal loggers in Legal Amazon often make use of violence to drive traditional people away from their extractive reserves and make illegal use of the resources. As the report points out, the municipality of Machadinho d'Oeste in the State of Rondônia, encompasses 16 extractive reserves intended to preserve native forests and guarantee the livelihood of traditional inhabitants. Residents have been threatened and murdered by illegal loggers in order to leave their traditional lands and resources, causing irreparable damages to their traditional culture.</p> <p>There is a lack of information about the enforcement of the laws related to traditional and indigenous people's rights outside Legal Amazon. However, cases of disrespect with traditional rights concerning land use rights and cases of violence against indigenous people are frequent in the whole country. For this reason, the precautionary approach was applied in this indicator. Therefore, this indicator is defined as specified risk.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.13 was considered <b>specified risk</b> for native forests.</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.14 Free prior and informed consent	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Decree nº. 5.051/2004 – Enacts ILO Convention nº. 169 about tribal and indigenous population.</a></p>	<p><a href="#">Greenpeace – Blood-Stained Timber (2017)</a></p>	Country	<p><b>Overview of Legal Requirements</b></p> <p>Decree nº. 5.051/2004 addresses the commitments internationally assumed by Brazil concerning ILO's requirements for indigenous and traditional population. This normative covers subjects such as the necessity of consent by</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Law nº 11.284/2006 - Provides for the management of public forests for sustainable production</a></p> <p><a href="#">Law nº. 12.651/2012 Forest Code. Full text, especially Chapter VII</a></p> <p><a href="#">Interministerial Ordinance nº. 60/2015 – Establishes administrative procedures regulating the acting of public bodies and entities in Ibama’s environmental licensing processes.</a></p> <p><a href="#">Decree nº. 4.887/2003 – Regulates the demarcation of Quilombola communities’ lands.</a></p> <p><a href="#">Public Prosecution Recommendation nº 02/2018 – Requires the cancellation of all management plans inside indigenous lands and integral protection conservation units</a></p> <p><a href="#">Decree nº. 6.040/2007 – Institutes the Nacional Policy for Sustainable Development of Traditional People and Communities</a></p> <p><b>Legal Authority</b></p> <p>FUNAI - National Foundation for Indigenous People</p> <p>FCP – Palmares Cultural Foundation</p> <p>Clóvis Moura Working Group</p>			<p>these population concerning governmental decisions that can affect their traditional lands or resources. The Decree does not establish any requirements for the private sector. The legislation can be applied based on jurisprudence, only in cases when management by a private company is taking place inside legally demarcated indigenous or traditional people lands without consent by the residents. Forest management inside demarcated indigenous lands is forbidden, according to Law nº 11.284/2006.</p> <p>Traditional people’s rights are ruled by public entities such as Funai, FCP, Clóvis Moura Working Group and Incra – the latest responsible for agrarian reform and demarcation of indigenous and quilombola people’s lands.</p> <p><b>Description of Risk</b></p> <p>Current legislation on free, prior and informed consent of traditional population is generalist, not covering matters concerning specifically the forestry activity. The law only addresses the commitment and obligations of the public power concerning its actions involving traditional and indigenous people rights, not including obligations for the private sector. In some cases, the law can be applied to the private sector based on jurisprudence. However, these cases are only related to management taking place inside demarcated indigenous or traditional people lands without consent of those people. As stated in indicator 1.4, legal management can only take place with approval of the management plan by the public bodies. The approval of the management plan will only occur after indication that: a) the entity responsible for the management has legal management and tenure rights over the land where the management is occurring. In this case, the management cannot take place in indigenous lands as these lands are under the legal possession of the public power and conflicting privately owned properties are subject to expropriation; or b) in</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p>INCRA – National Institute for Colonization and Agrarian Reform</p> <p>Brazilian Public Prosecution</p> <p><b>Legally required documents or records</b></p> <p>N/A</p>			<p>case of concessions, as the management takes place in public forests, there is no conflict between the public forest and indigenous lands.</p> <p>In both cases, the management plan must clearly indicate what are the social impacts of the management to be carried on.</p> <p>If, by any means, forest management were to take place inside indigenous lands, the licensing process requires that Funai gives its position regarding that matter, as stated in Interministerial Decree n°. 60 of March 24 of 2015.</p> <p>As for Quilombola communities, section 17 of Decree n°. 4.887, from November 20 of 2003, states that the Quilombola's lands possession and management rights are inalienable and imprescriptible. This way, only Quilombola people can make use of the resources on their lands.</p> <p>However, as pointed out by Greenpeace (2017), many management plans are approved without the required investigations by the public bodies, resulting in cases of forest management taking place with non-compliances to legal requirements. There are cases of violence against communities related to illegal forest management.</p> <p>The Brazilian Public Prosecution recently determined to the Environmental Protection Institute from Amazonas - IPAAM, through Recommendation n°. 02/2018 from February 13 of 2018, the cancelation of all management plans that were illegally being conducted on indigenous lands and integral protection conservation units, listing 52 illegal PMFS of which 35 conflicted with indigenous lands. This Recommendation also requires all PMFS for management on indigenous lands that are currently undergoing evaluation, and all those submitted in the future, to be denied. As seen, the legality of forest management is closely related to the legality of land tenure rights. No management activity can be conducted inside indigenous or traditional lands, as these lands, as stated by the National Policy for the Sustainable Development of Traditional People and Communities (Decree n°. 6.040/2007), are “the</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p>spaces necessary to the cultural, social and economic reproduction of the traditional people and communities”. As the licensing process required for forest management can be fraudulent, there is risk of forest management being carried out inside indigenous or traditional lands. Despite the efforts from the Public Prosecution in the inspection and cancellation of all illegal management plans, there is no guarantee that from now on there will be no illegalities in the licensing process for forest management. As there is risk of harvesting activities being illegally conducted inside indigenous and traditional lands, there is also a high risk of these activities being carried out without formal consent from those people. Thus, by adopting a precautionary approach, this indicator was classified as specified risk.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.14 was considered <b>specified risk</b> for the whole country</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.15 Indigenous peoples' rights	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Constitution of the Federative Republic of Brazil – 1988. Chapter I – Clause 5 (XXII – Land ownership); Chapter VIII</a></p> <p><a href="#">Decree nº. 1.775 / 1996 - Regulates the demarcation of indigenous lands</a></p>	<p><a href="#">Pastoral Land Commission – Rural Conflicts Brazil (2016)</a></p> <p><a href="#">Ministry of Justice – FUNAI portal</a></p> <p><a href="#">Brazilian Government - Legislation Portal of the</a></p>	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>The Indian Statute created through Law nº. 6.001 of December 19, 1973 seeks to preserve the culture of and integrate indigenous peoples into the national community. Among the guarantees stipulated in article 2, the following can be highlighted: assuring Indians the possibility of having free choice in their means of life and subsistence, guaranteeing their voluntary permanence in their habitat, carrying out</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Decree n°. 4.887/2003 – Regulates the demarcation of Quilombola communities' lands, Clause 3</a></p> <p><a href="#">Law n° 13.123/2015 - Regulates access to the national genetic patrimony</a></p> <p><a href="#">Act n°. 6.001/1973 – Statute of the Indians Title III</a></p> <p><a href="#">Decree n°. 6.040/2007 – Institutes the Nacional Policy for Sustainable Development of Traditional People and Communities</a></p> <p><a href="#">Decree n°. 8.750/2016 – Institutes the National Council for Traditional People and Communities</a></p> <p><a href="#">Joint Ordinance INCRA / FUNAI n° 09/2004 - Implements the Program for the Resettlement of Non-Indigenous Occupants in Indigenous Lands</a></p> <p><a href="#">Ordinance n°. 419/2011 - Regulates the activities of the Federal Public Administration bodies and entities involved in environmental licensing</a></p> <p><a href="#">CONAMA Resolution n°. 378/2006 - Defines those enterprises potentially causing national or regional environmental impact for purposes of the provisions of item III, § 1, art. 19 of Law n°. 4.771, of September 15, 1965, and provides other measures</a></p>	<p><a href="#">Federal Government (2017)</a></p> <p><a href="#">INCRA - Table with Municipal Fiscal Module (2017)</a></p>		<p>projects that benefit their communities and ensure the permanent possession of the land they inhabit, and the usufruct of the natural values that exist in their territories.</p> <p>The demarcation of indigenous lands is covered by Decree n°. 1.775/1996 and it is carried out jointly by Incra and Funai. Joint Decree n°. 9 of October 27, 2004 discusses the regulation and implementation of the Program for Resettling of Non-Indigenous Occupants of Indigenous Lands, establishing its National Management through a partnership between the Ministry of Justice/Funai and the Ministry of Agricultural Development/Incra.</p> <p>These activities, according to Incra, prioritize resettlements on indigenous lands whenever conflicts arise.</p> <p>For this analysis, both indigenous and traditional people were considered, since there is no indicator related specifically to traditional people's rights.</p> <p>Clause 231 of the Federal Constitution states that the land traditionally occupied by Indians is inalienable and in their permanent possession, therefore they are exclusively entitled to use the resources existing in the soil, rivers and lakes.</p> <p>Clause 68 of the Act of the Transitory Constitutional Provisions (ADCT) establishes in its text that "The people remaining from the Quilombola communities, who are occupying their land, will have the definitive ownership of such land acknowledged, and the State shall issue them the respective deeds."</p> <p>Through such mechanisms, the right to the ownership of the land by the Indigenous communities is acknowledged.</p> <p>The Inter-ministerial administrative decree issued by the Environment Ministry under n°. 419/2011 states that, upon the act of application for an environmental license for activities in the vicinity of Indigenous or Quilombola land, the applicant must inform IBAMA of this fact; so that IBAMA will consult with the entities involved.</p> <p>The CONAMA Resolution n° 378/2006, in its article 4, establishes that "The authorization for suppression of forests</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">CONAMA Resolution nº. 428/2010 – modify CONAMA Resolution nº 378/06</a></p> <p><a href="#">Law nº. 8.629 / 1993 - Provisions on the regulation of constitutional provisions relating to agrarian reform</a></p> <p><a href="#">Law nº 11.326 / 2006 - Establishes guidelines for the formulation of the National Policy of Family Agriculture and Rural Family Enterprises</a></p> <p><b>Legal Authority</b></p> <p>INCRA – National Institute for Colonization and Agrarian Reform</p> <p>FUNAI – National Foundation for Indigenous People</p> <p>Ministry of Justice</p> <p>Ministry of Agrarian Development</p> <p><b>Legally required documents or records</b></p> <p>In cases of forestry management occurring in areas nearby Indian Reserves, Environmental License issued by IBAMA and endorsed by the legally competent agencies (FUNAI, FCP, IPHAN)</p>			<p>and successive formations that involves management or suppression of forests and successive formations in rural properties in a range of ten kilometres in the surroundings of demarcated indigenous land shall be preceded by submission of georeferenced information to FUNAI, except in the case of small rural property or rural family ownership. "Small rural property, according to Law nº 8.629/1993, is the property of up to four fiscal modules (area unit considering the productive potential defined at the municipality level). The concept of rural family ownership is addressed by Law nº. 11.326 of 2006, in its third article, which defines the family farmer as having no area greater than 4 fiscal modules; predominantly use of family labour force; has a minimum percentage of income derived from the activities of his property; and run the establishment or venture with the family members.</p> <p>The disorganized process of land occupation that took place in Brazil – as well as the bureaucracy involved in the process of approving the Indigenous and Quilombola land – resulted in a situation where many traditional communities are 'isolated' within large privately-owned areas.</p> <p><b>Description of Risk</b></p> <p>In the case of forest plantations, conflicts between enterprises and indigenous populations are restricted to issues related to land tenure and use rights - in case the enterprise violates acquired rights over the ownership of traditionally occupied lands. Therefore, since indicator 1.1, which covers the land tenure issues, is classified as specified risk, indicator 1.15 received the same classification.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.15 was considered <b>specified risk</b> for plantations.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Constitution of the Federative Republic of Brazil – 1988. Chapter I – Clause 5 (XXII – Land ownership); Chapter VIII</a></p> <p><a href="#">Decree nº. 1.775 / 1996 - Regulates the demarcation of indigenous lands</a></p> <p><a href="#">Decree nº. 4.887/2003 – Regulates the demarcation of Quilombola communities' lands, Clause 3</a></p> <p><a href="#">Law nº 13.123 / 2015 - Regulates access to the national genetic patrimony</a></p> <p><a href="#">Act nº. 6.001/1973 – Statute of the Indians Title III</a></p> <p><a href="#">Joint Ordinance INCRA / FUNAI nº 09/2004 - Implements the Program for the Resettlement of Non-Indigenous Occupants in Indigenous Lands</a></p> <p><a href="#">Ordinance nº. 419/2011 - Regulates the activities of the Federal Public Administration bodies and entities involved in environmental licensing</a></p>	<p><a href="#">Pastoral Land Commission – Rural Conflicts Brazil (2016)</a></p> <p><a href="#">Missionary Indigenous Council – Report on Violence against Indigenous People in Brazil (2016)</a></p> <p><a href="#">FUNAI – Data about indigenous people's lands (2017)</a></p> <p><a href="#">Brazilian Government - Legislation Portal of the Federal Government (2017)</a></p> <p><a href="#">INCRA – Data about quilombola certified lands (2017)</a></p>	Native Forests	<p><b>Overview of Legal Requirements</b></p> <p>The Indian Statute created through Law nº. 6.001 of December 19, 1973 seeks to preserve the culture of and integrate indigenous peoples into the national community. Among the guarantees stipulated in article 2, the following can be highlighted: assuring Indians the possibility of having free choice in their means of life and subsistence, guaranteeing their voluntary permanence in their habitat, carrying out projects that benefit their communities and ensure the permanent possession of the land they inhabit, and the usufruct of the natural values that exist in their territories.</p> <p>The demarcation of indigenous lands is covered in Decree nº. 1.775/1996 and it is carried out jointly by Incra and Funai.</p> <p>Joint Decree nº. 9 of October 27, 2004 discusses the regulation and implementation of the Program for Resettling of Non-Indigenous Occupants of Indigenous Lands, establishing its National Management through a partnership between the Ministry of Justice/Funai and the Ministry of Agricultural Development/Incra.</p> <p>These activities, according to Incra, prioritize resettlements on indigenous lands whenever conflicts arise.</p> <p>Guarantees of traditional genetic heritage is assured by Law nº. 13.123/2015 as defined in indicator 1.14.</p> <p>For this analysis, both indigenous and traditional people were considered, since there is no indicator related specifically to traditional people's rights.</p> <p>Clause 231 of the Federal Constitution states that the land traditionally occupied by Indians is inalienable and in their</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Decree nº. 6.040/2007 – Institutes the Nacional Policy for Sustainable Development of Traditional People and Communities</a></p> <p><a href="#">Decree nº. 8.750/2016 – Institutes the National Council for Traditional People and Communities</a></p> <p><a href="#">CONAMA Resolution nº. 378/2006 - Defines those enterprises potentially causing national or regional environmental impact for purposes of the provisions of item III, § 1, art. 19 of Law nº. 4.771, of September 15, 1965, and provides other measures</a></p> <p><a href="#">CONAMA Resolution nº. 428/2010 – modify CONAMA Resolution nº 378/06</a></p> <p><a href="#">Law nº. 8.629 / 1993 - Provisions on the regulation of constitutional provisions relating to agrarian reform</a></p> <p><a href="#">Law nº 11.326 / 2006 - Establishes guidelines for the formulation of the National Policy of Family Agriculture and Rural Family Enterprises</a></p> <p><b>Legal Authority</b></p> <p>INCRA – National Institute for Colonization and Agrarian Reform</p> <p>FUNAI – National Foundation for Indigenous People</p>			<p>permanent possession, therefore they are exclusively entitled to use the resources existing in the soil, rivers and lakes. Clause 68 of the Act of the Transitory Constitutional Provisions (ADCT) establishes in its text that "The people remaining from the Quilombo communities, who are occupying their land, will have the definitive ownership of such land acknowledged, and the State shall issue them the respective deeds." Through such mechanisms, the right to the ownership of the land by the Indigenous communities is acknowledged. The Inter-ministerial administrative decree issued by the Environment Ministry under nº. 419/11 states that, upon the act of application for an environmental license for activities in nearby Indigenous or Quilombola land, the applicant must inform IBAMA of this fact; so that IBAMA will consult with the entities involved. The disorganized process of land occupation that took place in Brazil – as well as the bureaucracy involved in the process of approving the Indigenous and Quilombola land – resulted in a situation where many traditional communities are 'isolated' within large privately-owned areas.</p> <p><b>Description of Risk</b></p> <p>Although the legislation exists that describes the requirement for consultation with Indigenous community-related entities, in cases where the organization is near to or uses Indigenous or Quilombola land – the large number, diversity and scattered nature of the traditional communities in Brazil leads to a low level of compliance with such legislation. Even though there is an effort from IBAMA and INCRA to demarcate new traditional territories, it is not possible to guarantee that all territories have already been recognized. Also, the existence of recognized traditional territories is not enough to ensure the rights of these people are being upheld. This indicator, therefore, is considered as specified risk for native forests</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	Ministry of Justice;  Ministry of Agrarian Development  <b>Legally required documents or records</b>  In cases of forest management occurring in areas nearby Indian Reserves, Environmental License issued by IBAMA and endorsed by the legally competent agencies (FUNAI, FCP, IPHAN)			<b>Risk Conclusion</b>  Indicator 1.15 was considered <b>specified risk</b> for native forests.  Specified risk threshold (2) is met:  (2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.
<b>Trade and transport</b>				
1.16 Classification of species, quantities, qualities	<b>Applicable laws and regulations</b>  <a href="#">Law nº 12.651/2012 - Forest Code</a>  <a href="#">MMA Ordinance nº. 253/2006 - Institutes the Document of Forest Origin (DOF)</a>  <a href="#">Normative Instruction IBAMA nº. 112/2006 - Creates the DOF for wood transportation</a>  <a href="#">Normative Instruction IBAMA nº 21/2014 - Institutes the National System of Control of the Origin of Forest Products</a>  <a href="#">Normative Instruction IBAMA No. 187/2008 – Standardization of nomenclatures for classification of products of forest origin.</a>  <a href="#">Decree nº 6.759/2009 – Regulates the customs activities Arts. 557, 703, 86.</a>	<a href="#">Brazilian Forest Service – Economic Result of Forest Concessions (2017)</a>	Plantations	<b>Overview of Legal Requirements</b>  Some states that require environmental licensing for planted forests with exotic species also require the notification of environmental agencies when they carry out harvesting operations. The notification may be accompanied by an estimate of harvested volume. These documents aim only to inform the agencies about the harvested volume and are not subject to official authorization or any kind of legal implications. Regarding plantations of native forest species, control is managed by the Document of Forest Origin (DOF) – a document providing information about the species and quantities harvested, which must accompany the wood during transportation and commercialization, together with invoice – issued by Ibama and put in place by Ministry of the Environment Decree nº. 253 of August 18, 2006 and detailed by IN IBAMA nº 112/2006. This document is required for all activities of harvesting of forest products or sub products from native sources and must accompany the transportation of those products from the source to its final destination, as well as during the entire period of warehousing.

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">IBAMA Resolution nº. 411/2009 - Procedures for the inspection of industries that consume or transform forest wood products and sub-products of native origin, as well as the respective nomenclature standards and volumetric efficiency coefficients, including charcoal and sawmill residues.</a></p> <p><a href="#">SINIEF Adjustment nº 07/2005 – National System for Economic and Fiscal Information – Creates the electronic invoice and the DANFE First Clause</a></p> <p><a href="#">SINIEF Adjustment nº 12/2009 – Indication of NCM in the fiscal document. Second Clause</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (IBAMA and ICMBio; State and Municipal Environmental Agencies)</p> <p><b>Legally required documents or records</b></p> <p>DOF– Document of Forest Origin</p> <p>Sicar – Rural Environmental Registry System</p> <p>ADA - Environmental Declaratory Act</p> <p>Cutting authorization issued by the environmental agency</p> <p>Harvesting authorizations issued by environmental agencies.</p>			<p><b>Description of Risk</b></p> <p>There is no DOF requirement for exotic species plantations. There are few plantations of native species in Brazil, and the changing of information in tax documents in these cases brings no benefits to the owner.</p> <p>Given the few cases where any requirements are made, also taking into consideration the understanding of the specialists from the SDG, the indicator was considered low risk for plantations.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.16 was considered a <b>low risk</b> for plantations.</p> <p>Low risk threshold (1) is met:</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	Invoice Regularity Certificate - IBAMA			
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Law nº 12.651/2012 - Forest Code</a></p> <p><a href="#">MMA Ordinance nº. 253/2006 - Institutes the Document of Forest Origin (DOF)</a></p> <p><a href="#">Normative Instruction IBAMA nº. 112/2006 - Creates the DOF for wood transportation</a></p> <p><a href="#">Normative Instruction IBAMA nº 21/2014 - Institutes the National System of Control of the Origin of Forest Products</a></p> <p><a href="#">Normative Instruction IBAMA nº. 187/2008 – Standardization of nomenclatures for the classification of products of forest origin</a></p> <p><a href="#">Decree nº 6.759/2009 – Regulates the customs activities Arts. 557, 703,86</a></p> <p><a href="#">IBAMA Resolution nº. 411/2009 - Procedures for the inspection of industries that consume or transform forest wood products and sub-products of native origin, as well as the respective nomenclature standards and volumetric efficiency coefficients, including charcoal and saw-mill residues.</a></p> <p><a href="#">SINIEF Adjustment nº 07/2005 – National System for Economic and Fiscal Information –</a></p>	<p><a href="#">Brazilian Forest Service – Annual Plan for Forest Grant (2019)</a></p> <p><a href="#">Transparency International – Corruption Perception Index (2017)</a></p> <p><a href="#">The World Bank Group – Worldwide Governance Indicators (2016)</a></p> <p><a href="#">World Economic Forum – Global Competitiveness Index (2018)</a></p> <p><a href="#">Greenpeace – The Amazon’s Silent Crisis (2014)</a></p> <p><a href="#">Greenpeace – Imaginary Trees, Real Destruction: how the fraud in licensing and illegal logging of Ipê are causing irreparable damages to the Amazon Forest (2018)</a></p>	Native Forests	<p><b>Overview of Legal Requirements</b></p> <p>The National Forest Code, Law nº. 12.651/2012 defines in article 35 the need to control the origin of forest products and sub products originating from native forests, which must be done through a nationally integrated system with collaboration between Brazilian states.</p> <p>The PMFS, according to Resolution CONAMA nº 406/2009, must have all species with commercial value correctly mapped, classified and measured before the harvesting takes place. Afterwards, harvested volume must be informed.</p> <p>The harvesting, transportation and commercialization of native wood in Brazil is currently controlled by the Document of Forest Origin (DOF) issued by Ibama and put in place by Ministry of the Environment Decree nº. 253 of August 18, 2006 and specified in IBAMA Normative Instruction nº. 112/2006. This document is required for all activities of harvesting of forest products or sub products from native sources and must accompany the transportation of those products from the source to its final destination, as well as during the entire period of warehousing. To issue a DOF, the individual or corporate entity responsible for the harvesting must be in good standing with IBAMA which can be verified through the certification of good standing on the Forestry Technical Registration.</p> <p>According to Normative Instruction nº 112/2006, the following products are exempt of DOF:</p> <p>I – Wood material from eradication of plantations, orchards or urban afforestation pruning;</p> <p>II – By-products which, by their nature, are already finished, packed, manufactured and for end use, such as: doors, windows, furniture, wood handles for many uses, moldings,</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Creates the electronic invoice and the DANFE First Clause</a></p> <p><a href="#">SINIEF Adjustment nº 12/2009 – Indication of NCM in the fiscal document Second Clause</a></p> <p><a href="#">Resolution CONAMA nº 406/09 – Technical procedures for the elaboration of PMFS</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (IBAMA and ICMBio; State and Municipal Environmental Agencies)</p> <p>State Revenue Office</p> <p><b>Legally required documents or records</b></p> <p>DOF– Document of Forest Origin</p> <p>Sicar – Rural Environmental Registry System</p> <p>ADA - Environmental Declaratory Act</p> <p>Harvesting authorizations issued by environmental agencies.</p> <p>Invoice</p> <p>Regularity Certificate – IBAMA</p>			<p>linings, finish for linings and boxes, different kinds of boards or other objects with similar regional denominations;</p> <p>III – Pulp and resin;</p> <p>IV – Chips and other residues from wood beneficiation and industrialization, sawdust, pallets, briquettes. Leaves from planted trees, straw and palm tree’s fiber, bark and coal from coconut bark, vegetal coal briquettes, shoring and wood used in construction sites, used wood in general, reutilization of wood from fences, enclosures and houses;</p> <p>V – Packed vegetal coal from retail commerce;</p> <p>VI – Bamboo (<i>Bambusa vulgares</i>) and similar species;</p> <p>VII – Planted shrubby vegetation for any ends;</p> <p>VIII – Ornamental, medicinal and aromatic plants, seedlings, roots, bulbs, vines and leaves from species not included on CITES list for threatened species.</p> <p>Seeking to modernize the system and better control forest products, IBAMA created, through Normative Instruction nº. 21 of December 24, 2014 the National Forest Origin Control System (Sinaflor), integrating the DOF, the Rural Environmental Registry System (Sicar) and the Environmental Declaratory Act (ADA), as well as harvesting authorizations issued by environmental agencies. As a result, IBAMA is responsible for administering a single database of authorized sourcing. Sinaflor is in the process of gradually being implemented at each state and will be obligatory starting in January 2018.</p> <p>IBAMA Normative Instruction nº. 187 of 2008 standardized the nomenclature for classifying forest products and sub products to be used in control and inspection systems.</p> <p>CONAMA Resolution nº. 411 of 2009 discusses the inspection of industries that consume forest products. The monitoring includes conformity with the DOF and proper classification of species and quantities consumed in the production line.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p><b>Description of Risk</b></p> <p>Changes in the quantity and/or value of goods in fiscal documents in Brazil is a well-known manner of tax evasion, since taxes are usually charged based on a company's income. In Brazil there are no different taxes for different wood species. However, in some states the most valuable wood species have an established minimum price. In such cases, a change of species in fiscal documents can be used to take advantage of a price below the minimum, therefore generating fewer taxes. In the case of an inspection by the competent environmental agency, the inspectors check whether the volume of the transported wood and the wood in inventory match the balances and transfers informed by the DOF system, thus identifying possible fluxes of illegal wood. In case of assessment by the environmental agency, the companies involved in illegal trades can have their activities embargoed. Other methods used to generate credits that may cover illegal wood transfers, according to Greenpeace (2014), include changing species and type of material or volume. Other means of defrauding the system include corruption within the agencies controlling the credits (allowing the generation of credit without the physical receipt of wood); and the use of a different conversion factor, such that there will be outstanding credits in the system to cover the illegal wood. Investigation by the inspecting agencies (IBAMA), federal police or NGOs has revealed fraud and system failures, as recently described in the Greenpeace report (2018).</p> <p>As Greenpeace (2018) points out, frauds in forest inventories are the first step for illegal wood logging. This allows to overestimate the quantity of wood in a management area, generating fake credits. The wood illegally harvested based on those credits is sold in the market as legal wood.</p> <p>Furthermore, one must account for risks related to corruption in accordance with the indexes of the perception of corruption.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
				<p>Three indexes of corruption perception of international recognition are highlighted: Transparency International, the Worldwide Governance Indicators and the Competitiveness Index of the World Economic Forum. The first, published annually, analyzes the corruption of the countries in various aspects and sectors, positioning Brazil in 96<sup>th</sup> in the 2017 report, with a score of 37 out of a maximum of 100 (a drop of 17 positions and 3 points in relation to 2016). The second examines various indicators of governance, including corruption control. In this respect, Brazil obtained, in 2016, a score of 38.46%. The third is an index of competitiveness, where ethics and corruption are evaluated indicators. In this index, Brazil obtained a score of 2.1 out of a maximum of seven, occupying the position 133 of 137 countries evaluated. The risk of incorrect classification of species, quantity or quality of wood products can be considered specified for native forest species due to the fragility of the DOF system and the high degree of the perception of corruption in Brazil.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.16 was considered <b>specified risk</b> for native forests.</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.17 Trade and transport	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Law nº. 8.846/1994 – Regulates the issuing of fiscal documents for the selling of goods</a></p>	<p><a href="#">Ministry of Finance - Electronic Invoice</a></p> <p><a href="#">Ministry of Finance – Electronic Bill of Lading</a></p>	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>Within the Brazilian domestic market, the mandatory official document that legalizes the sale of a product and that must accompany this product during the transportation is the invoice. Currently, the great majority of companies use the</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">MMA Ordinance nº. 253/2006 - Institutes the Document of Forest Origin (DOF)</a></p> <p><a href="#">Normative Instruction IBAMA nº. 112/2006 - Created the DOF for wood transportation</a></p> <p><a href="#">Normative Instruction IBAMA nº 21/2014 - Institutes the National System of Control of the Origin of Forest Products</a></p> <p><a href="#">SINIEF Adjustment nº 07/2005 – National System for Economic and Fiscal Information – Creates the electronic invoice and the DANFE First Clause</a></p> <p><a href="#">SINIEF Adjustment nº 12/2009 – Indication of NCM in the fiscal document Second Clause</a></p> <p><a href="#">Normative Instruction IBAMA nº. 15/2011 – Establishes the procedures to export wood products and sub-products from native species originated from natural or planted forests</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (IBAMA and ICMBio; State and Municipal Environmental Agencies)</p> <p>Brazilian Federal Revenue</p> <p>State Revenue Office</p> <p><b>Legally required documents or records</b></p>	<p><a href="#">Ministry of Finance – Electronic Manifest of Fiscal Documents</a></p> <p><a href="#">Legislation Portal of the Federal Government (2017)</a></p>		<p>electronic invoice, and in such cases the physical document that accompanies the product is the DANFE – Auxiliary Document of the Electronic Invoice – which bears the same information.</p> <p>For export, the invoice is the document that transfers legal possession of the product; and the bill of lading is the transport document that will accompany the goods during exportation. Also, the DOF is the main document that must accompany native species through transportation, commercialization and exportation (exportation DOF).</p> <p><b>Description of Risk</b></p> <p>The invoice is a well-consolidated instrument in Brazil and, although there are sales without invoice, those do not represent a significant amount in the planted wood market. There are no restrictions on the exportation of exotic wood, and the DOF does not apply to it. Given the scale of native species plantations is not significant in Brazil, this is considered a low risk for plantations.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.17 was considered a <b>low risk</b> for plantations.</p> <p>Low risk threshold (1) is met:</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p>Harvesting authorization when required by state legislation</p> <p>Electronic invoice (NF-e)</p> <p>DANFE - Electronic invoice auxiliary document</p> <p>Electronic manifest of tax documents (MDF-e)</p> <p>DAMDFE - Electronic manifest of tax documents auxiliary document</p> <p>DOF and/or Sinaflor (In the case of the transport and sale of products sourced from plantations of native species)</p> <p>National Registry of Legal Entity (CNPJ) card</p> <p>Invoice</p> <p>Regularity Certificate IBAMA</p> <p>Legislation relating to special transport regimes</p>			
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Decree nº 5.975/2006 - Requirements for exploitation of native forests</a></p> <p><a href="#">CONAMA Normative Instruction nº. 5/2006 - Procedures for the preparation of PMFS</a></p>	<p><a href="#">Transparency International – Corruption Perception Index (2017)</a></p> <p><a href="#">The World Bank Group – Worldwide Governance Indicators (2016)</a></p> <p><a href="#">World Economic Forum – Global</a></p>	Native Forests	<p><b>Overview of Legal Requirements</b></p> <p>The need of licenses to transport products originating from the harvesting of native forests is addressed in Decree nº. 5.975/2006, chapter VI, article 20, which states that “The transportation and warehousing of forest products and sub-products from native sources within the national territory must be accompanied by a valid document during the entire length of transportation or time of warehousing”. Inspection, according to §3 of article 20, is the duty of the Ministry of the Environment and IBAMA, using the integrated electronic</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">MMA Normative Instruction n°. 4/2009 - Technical Procedures for the use of Legal Reserve</a></p> <p><a href="#">MMA Normative Instruction n°. 1/2015 - Standards for Sustainable Management in the Amazon biome</a></p> <p><a href="#">Law n°. 8.846/1994 – Regulates the issuing of fiscal documents for selling goods</a></p> <p><a href="#">Law n° 12.651/2012 – Forest Code</a></p> <p><a href="#">MMA Ordinance n°. 253/2006 - Institutes the Document of Forest Origin (DOF)</a></p> <p><a href="#">Normative Instruction IBAMA n°. 112/2006 - Creates the DOF for wood transportation</a></p> <p><a href="#">Normative Instruction IBAMA n° 21/2014 - Institutes the National System of Control of the Origin of Forest Products</a></p> <p><a href="#">IBAMA Resolution n°. 411/2009 - Procedures for the inspection of industries that consume or transform forest wood products and sub-products of native origin, as well as the respective nomenclature standards and volumetric efficiency coefficients, including charcoal and sawmill residues.</a></p> <p><a href="#">SINIEF Adjustment n° 07/2005 – National System for Economic and Fiscal Information –</a></p>	<p><a href="#">Competitiveness Index (2018)</a></p> <p><a href="#">Greenpeace – The Amazon’s Silent Crisis (2014)</a></p> <p><a href="#">Greenpeace – Imaginary Trees, Real Destruction: how the fraud in licensing and illegal logging of Ipê are causing irreparable damages to the Amazon Forest (2018)</a></p> <p><a href="#">Greenpeace – Blood-Stained Timber: rural violence and the theft of Amazon timber (2017)</a></p>		<p>system. According to §4, the inspection information is of national interest, and any fraud must be communicated to the Federal Police Department.</p> <p>CONAMA Normative Instruction n°. 5/2006 article 36, paragraph III, prescribes the suspension of transportation authorization in the case of suspension of the PMFS.</p> <p>MMA Normative Instruction n°. 4/2009 article 16, requires the maintenance of the authorization document for transportation and warehousing of forest products and sub products from native sources resulting from the sustainable harvesting of Legal Reserves.</p> <p>The National Forest Code (Law n°. 12.651/2012) reiterates the need for authorization to transport products coming from native forests, as discussed in article 36.</p> <p>The sole paragraph of article 4 of MMA Normative Instruction n°. 1/2015 establishes the need of licenses to transport forest products or sub-products originating from endangered species. Within Brazilian domestic market, the mandatory official document that legalizes the sale of a product and that must accompany this product during the transportation is the invoice.</p> <p>For export, the invoice is the document that transfers legal possession of the product; and the bill of lading is the transportation document that will accompany the goods during exportation. Raw or 'in natura' timber of native species shall always be accompanied by the DOF (Forestry Origin Document) during transportation.</p> <p><b>Description of Risk</b></p> <p>Methods used to generate credits that may conceal illegal wood transfers include, according to Greenpeace (2014), changing species, type of material or volume. Other means of defrauding the system include corruption within the agencies controlling the credits (making possible the generation of credit</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Creates the electronic invoice and the DANFE First Clause</a></p> <p><a href="#">SINIEF Adjustment nº 12/2009 – Indication of NCM in the fiscal document Second Clause - II</a></p> <p><a href="#">Normative Instruction IBAMA nº. 15/2011 – Establishes the procedures for the exportation of wood products and sub-products from native species originated from natural or planted forests</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (IBAMA and ICMBio; State and Municipal Environmental Agencies)</p> <p>Brazilian Federal Revenue</p> <p>State Revenue Office</p> <p><b>Legally required documents or records</b></p> <p>Valid transport license</p> <p>DOF/SINAFLOR</p> <p>National Registry of Legal entity (CNPJ) card</p> <p>Invoice</p> <p>Regularity Certificate IBAMA</p>			<p>without the physical receipt of wood); and the use of a different conversion factor, such that there will be outstanding credits in the system to cover the illegal wood.</p> <p>The report Imaginary Trees, Real Destruction, by Greenpeace (2018), presents information on how the frailty of company's chain of custody inspections allows illegal wood – harvested based on credits generated by fake forest inventories – to reach the market.</p> <p>Also, the report Blood-Stained Timber, by Greenpeace (2017) shows that wood logged from areas where violence against rural and traditional population takes place reaches the international market, demonstrating once more that the inspection through the supply chain, especially during transportation, is insufficient.</p> <p>Brazil can be considered a country with a high perception of corruption according to the IPCL (Perception Index of Legal Compliance) and the CPI (Corruption Perception Index).</p> <p>The risk in this indicator is considered specified for native forests because the sale of native wood without an invoice and/or without the DOF, or accompanied by such documents with altered data, occurs with the intent of confounding the tracing systems implemented by the government.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.17 was considered <b>specified risk</b> for native forests.</p> <p>Specified risk threshold (2) is met:</p> <p>(2) Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
1.18 Offshore trading and transfer pricing	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Law nº. 9.430/1996 – Provides for federal tax legislation, social security contributions, the administrative consultation process and other measures. Section V</a></p> <p><a href="#">Decree nº. 3.607/2000 – CITES guidelines</a></p> <p><a href="#">Decree nº 6.759/2009 – Regulates the customs activities Arts. 557, 703, 86</a></p> <p><a href="#">Federal Revenue Normative Instruction nº. 1.312/2012 – Establishment of prices practiced in foreign trade operations</a></p> <p><a href="#">Federal Revenue Normative Instruction nº. 1.037/2010 – Relation of Countries with favored taxation or privileged fiscal regime</a></p> <p><a href="#">IBAMA Normative Instruction nº. 15/2011 – Define exportation procedures for wood products originating from native forests</a></p> <p><a href="#">Law nº 5.172/1966 CTN – National Tributary Code Section II and Clause 173 e 174 (keeping of bills of sale for 5 years)</a></p> <p><b>Legal Authority</b></p> <p>Federal Revenue</p> <p><b>Legally required documents or records</b></p>	<p><a href="#">Legislation Portal of the Federal Government (2017)</a></p>	Country	<p><b>Overview of Legal Requirements</b></p> <p>Law nº. 9.430/1996 and IN RFB 1.312/2012 define price formation for importation and exportation activities, to prevent prices differing from the ones actually being charged in transfer operations between headquarters' subsidiaries in different countries.</p> <p>RFB Normative Instruction nº 1.037 of 2010 meanwhile, lists the countries with special taxes or privileged tax regimes.</p> <p>Decree nº. 6.759 of 2009 regulates customs activities, discussing the monitoring, controlling, and taxing of foreign trade operations.</p> <p><b>Description of Risk</b></p> <p>For a Brazilian company to export its products it must be registered in the Federal Revenue as an exporter and, therefore, must comply with several legal requirements. Normally, the exportation mechanisms are very demanding, well controlled and well inspected. There may be cases of corruption, but they are not sufficiently significant to make this indicator as a specified risk.</p> <p>Additionally, there are very few Brazilian companies that have a structure that includes associated companies abroad, reducing the risk and the probability of the existence of associated companies in tax havens.</p> <p>Therefore, this indicator is classified as low risk for the whole country.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.18 was considered <b>low risk</b> for the whole country.</p> <p>Low risk threshold (1) is met:</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	Invoice  Exportation DOF  Exportation authorization for CITES species			(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.
1.19 Custom regulations	<b>Applicable laws and regulations</b>  <a href="#">Decree nº 6.759/2009 – Regulates the customs activities Arts. 557, 703, 86</a> <a href="#">Decree-Law nº. 1.578/1977 - Regulates the Export Tax</a>  <a href="#">Decree-Law nº. 37/1966 - Regulates the Import Tax of Goods and Products</a>  <a href="#">Ordinance SECEX nº 23 of 2011 - Integrated Foreign Trade System</a>  <a href="#">Decree nº. 5.759/2006 – Norms of the International Convention for Vegetation Protection (CIVP). Clause V</a>  <a href="#">IBAMA Normative Instruction nº. 15/2011 – Define exportation procedures for wood products originating from native forests</a>  <a href="#">Normative Instruction MAPA nº 5/2005 - Phytosanitary procedures for the importation of wood</a>  <a href="#">Act nº. 8.171/1991 – Agricultural policy</a>	<a href="#">Legislation Portal of the Federal Government (2017)</a>  <a href="#">Federal Revenue Office – SISCOMEX portal</a>	Country	<b>Overview of Legal Requirements</b>  The Tax on Exportation is instituted by Decree nº. 1.578 of October 11, 1977. Decree nº. 37 of November 18, 1966 establishes a tax on the importation of goods and products. Decree nº. 6.759/2009 establishes norms for the administration of customs activities, including inspection, control, and taxing of foreign trade. Foreign Trade Secretariat Decree nº. 23 of 2011 discusses foreign trade operations, establishing norms for the operation of the Integrated Foreign Trade System (SISCOMEX). Exportation in Brazil is regulated by the Brazilian Federal Revenue (RFB) through the online system called SISCOMEX (Integrated Foreign Trade System). For a company to have access to exportation it is required to submit to the Federal Revenue specific documents. The RFB Normative Instruction nº.1.603/2015, Clause 14, presents the reasons that can lead to the suspension of the SISCOMEX enrolment. With such restrictions is reduced the possibility of a company having legal problems associated with exporting its products. The exportation documents always state the code of the exported product according to the Harmonized System; in the case of Mercosul companies, the system used is the NCM (Common Mercosul Nomenclature). Such codes provide a worldwide, unique product codification.

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">Decree nº. 24.114/1934 – Approves the Regulation of the Sanitarian Vegetation Defense Clause 47</a></p> <p><a href="#">Decree nº. 5.741/2006 – Regulates arts. 27-A, 28-A and 29-A of Act No. 8.171, of January 17, 1991 that organizes the Unified Assistance System for Farming Sanitation and include other provisions. Chapter III, Section VIII and Chapter VI, Section IV</a></p> <p><a href="#">MAPA Normative Instruction nº. 55/2007 – Approves the Technical Standard for the use of the Phytosanitarian Origin Certificate</a></p> <p><a href="#">Normative Instruction SRF nº 28/1994 - Disciplines the customs clearance of goods destined for export.</a></p> <p><a href="#">Normative Instruction RFB nº. 1.603/2015 – Establishes procedures for licensing of importers and exporters from Manaus Free Trade Zone for operation in SISCOMEX</a></p> <p><b>Legal Authority</b></p> <p>Foreign Trade Secretariat</p> <p>MAPA - Ministry of Agriculture, Livestock, and Supply</p> <p>SISNAMA (IBAMA and ICMBio; State and Municipal Environmental Agencies)</p>			<p><b>Description of Risk</b></p> <p>Considering that the SISCOMEX enrolment indicates that the company has a legal exportation status and that more structured companies are entitled to export, the risk of exportation occurring with the official procedures at odds with the customs regulations is defined as low.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.19 was considered <b>low risk</b> for the whole country. Low risk threshold (1) is met:</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p>Brazilian Federal Revenue System</p> <p>State Revenue Office</p> <p><b>Legally required documents or records</b></p> <p>Exportation Registration (RE) of the Foreign Trade System (SISCOMEX)</p> <p>Registration as an exporter with the Federal Technical Registry</p> <p>Invoice copy</p> <p>Packing list of merchandise</p> <p>Authorization to transport forest product</p> <p>License for species listed on Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) list</p> <p>Exportation ordinance</p> <p>Products on the official lists of endangered species must be accompanied by transport documents that allow for the tracking of products across its production chain.</p> <p>DOF / Forestry Guide /Exportation DOF (inside the Brazilian territory)</p> <p>Exportation authorization by IBAMA</p>			

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p>CFO – Phytosanitarian Origin Certificate and the CFOC – Consolidated Phytosanitarian Origin Certificate.</p> <p>Exportation shipping declaration</p> <p>Sales Agreement (optional)</p> <p>Bill of Lading</p>			
1.20 CITES	N/A	N/A	Plantations	<p><b>Overview of Legal Requirements</b></p> <p>There are only two CITES species with relevant commercial value in Brazil: Mahogany (<i>Swietenia macrophylla</i>), registered in Appendix II of CITES, and “Cedro Rosa” (<i>Cedrela odorata</i>) registered in Appendix III. Both are commonly explored through native forests management but have no significant use in plantations. There are no laws covering plantations of CITES species.</p> <p><b>Determination of risk</b></p> <p>The indicator 1.20 <b>does not apply</b> for plantations.</p>
	<p><b>Applicable laws and regulations</b></p> <p><a href="#">Decree nº. 3.607/2000 – CITES guidelines</a></p> <p><a href="#">Decree nº. 4.722/2003 – Establishes criteria for mahogany exploration</a></p> <p><a href="#">MMA Ordinance nº. 443/2014 - List of endangered species of flora</a></p>	<p><a href="#">IBAMA - License for the import or export of flora and fauna - CITES and non-CITES</a></p>	Native Forests	<p><b>Overview of Legal Requirements</b></p> <p>Brazil has many laws that regulate the protection, exploitation, marketing and export of species protected by CITES. Decree nº. 3.607/00 regulates the export and import procedures for species registered on CITES.</p> <p>The norm presents the criteria necessary for the concession of a license to export species listed on Annexes I, II, and III of CITES. IBAMA is the agency responsible for issuing licenses. The system provided by the agency requires the registration of the activities of flora exporters, a certification of good standing</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
	<p><a href="#">MMA Ordinance nº. 83/1996 - Requirements for the export of CITES-listed plant species</a></p> <p><a href="#">CONAMA Resolution nº 278/2001 – Deals with exploitation of species in danger of extinction in the Atlantic rainforest flora</a></p> <p><a href="#">CONAMA Resolution nº 300/2002 – Complements CONAMA Resolution nº 278/2001</a></p> <p><b>Legal Authority</b></p> <p>SISNAMA (IBAMA e ICMBio; State and Municipal Environmental Agencies)</p> <p>JBRJ – Research Institute of the Botanic Garden of Rio de Janeiro</p> <p><b>Legally required documents or records</b></p> <p>CITES License or Certificate issued</p>			<p>from IBAMA, and a license issued by the agency’s system to export the species. Observations related to the requirements for exporting flora species listed in CITES are included in Decree nº. 83 of October 15, 1996.</p> <p>IBAMA licenses are granted only after a report is issued by the scientific authority of the Botanical Garden of Rio de Janeiro, certifying that the export will not affect the survival of the species and after verification by IBAMA that an import license was issued by the recipient.</p> <p>The main Brazilian forestry species that are commercially favorable and protected by CITES are Mahogany (<i>Swietenia macrophylla</i>), registered in Appendix II of CITES, and “Cedro Rosa” (<i>Cedrela odorata</i>) registered in Appendix III. Both species, originating from the Amazonian Biome, are more common in the south of the state of Pará, but are also found in the states of Goiás, Acre, Maranhão, Mato Grosso, Rondônia and Tocantins.</p> <p><b>Description of Risk</b></p> <p>The instruments related to the issuing of licenses to export species on CITES annexes, in addition to general requirements to export and the specific legislation protecting endangered species, reduce the risks associated with indicator 1.20.</p> <p><b>Risk Conclusion</b></p> <p>Indicator 1.20 was considered <b>low risk</b> for native forests.</p> <p>Low risk threshold (1) is met:</p> <p>(1) Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records <sup>2</sup>	Additional sources of Information <sup>2</sup>	Functional scale	Risk designation and determination
<b>Diligence/due care procedures</b>				
1.21 Legislation requiring due diligence/due care procedures	<b>Applicable laws and regulations</b> N/A. <b>Legal Authority</b> N/A <b>Legally required documents or records</b> N/A	N/A	N/A	<b>Overview of Legal Requirements</b>  Brazilian legislation does not address due diligence processes for the exploration, transportation and commercialization of timber products. Therefore, this indicator does not apply to this analysis.  <b>Risk Conclusion</b>  Indicator 1.21 <b>does not apply</b> for the whole country.

## Control measures

Guidance note:

- Text marked with **(P)** is applicable exclusively for **planted forests**;
- Text marked with **(N)** is applicable exclusively for **native forests**;
- Text with **no marking** is applicable either for **planted forests** and **native forests**;
- Every time field surveys are required as a control measure, they must be conducted at least once in each CW supply unit during the time it is supplying;
- Every time consultation with stakeholders is required as a control measure, it must be conducted annually;
- Some verifiers are suggested, which does not exclude the possibility of using other evidences that prove to be pertinent.

Indicator	Control measures (M – mandatory / R – recommended)
1.1 Land tenure and management rights	<p>M - Check documentation that guarantees land ownership / possession and use, as for example the following verifiers, but not limited to these:</p> <ul style="list-style-type: none"> <li>• The management contract or other agreements with the owner must clearly indicate the management rights (Temporary Occupation Authorization granted by INCRA);</li> <li>• Rural Environmental Registry - CAR</li> <li>• Rural Territorial Property Tax - ITR</li> <li>• Certificate of Rural Property Registration - CCIR</li> <li>• Certificate of Full Enrollment Rural Property Content</li> <li>• Negative Certificate of Debit of Rural Property - CNDIR</li> <li>• Operation license / Operation permission;</li> </ul> <p>R – 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;</p> <p>R – Consult with affected and/or interested stakeholders to verify the inexistence of conflicts;</p> <p>R – Consult specialized maps/documents to define possible sources of conflict, according to the size of the enterprise, for example with the location of local communities, indigenous peoples, conservation units, traditional communities, etc.</p>
1.2 Concession licenses	N/A
1.3 Management and harvesting planning	<p>M (N) - Verify documents that prove the existence of PMFS approved by the environmental agency and can be used as verifiers, for example, but not limited to these:</p> <ul style="list-style-type: none"> <li>• Annual operating and harvesting plans approved by the environmental agency and compatible with the PMFS, containing all information and procedures, in accordance with all legal requirements;</li> <li>• AUTEX, AUTEF and license of operation;</li> <li>• Post-exploratory report approved when existing</li> <li>• Harvest inventories must be evaluated according to legal requirements;</li> </ul> <p>M (N) – Field verification shall be conducted to check the harvest realized, using and conferring, for example, the following verifiers, but not limited to these:</p> <ul style="list-style-type: none"> <li>• Maps reflecting the reality;</li> <li>• Information regarding area, species, volumes and other information is in accordance with the stipulated, considering the operating licenses.</li> </ul>
1.4 Harvesting permits	<p>M (N) – Verify documents that prove the existence of PMFS approved by the environmental agency and can be used as verifiers, for example but not limited to these:</p> <ul style="list-style-type: none"> <li>• AUTEX, AUTEF and operation license;</li> </ul>

Indicator	Control measures (M – mandatory / R – recommended)
	<p>M (N) - Confirm the validity of the harvesting and transport permit. Can be used as verifiers, for example but not limited to these:</p> <ul style="list-style-type: none"> <li>• Existence of DOF or GF;</li> <li>• Consult on the website of the competent bodies to confirm the validity of the DOF or GF;</li> </ul> <p>M (N) - Field verification must be conducted to determine the harvest performed, using and conferring the following verifiers, for example but not limited to these:</p> <ul style="list-style-type: none"> <li>• the maps reflecting reality;</li> <li>• information regarding the area, species, volumes, and other information are in accordance with what was stipulated, considering the operation licenses;</li> </ul>
1.5 Payment of royalties and harvesting fees	N/A
1.6 Value added taxes and other sales taxes	<p>M – Verify the existence of sales documents showing the products and volumes, can be used for example invoices, sales contracts, among others.</p> <p>R - Check on the website of the competent bodies to see the validity of the invoice.</p> <p>O – Request debt clearance certificate from suppliers, at federal, state and/or municipal levels.</p> <p>M (N) - Verify if harvested species and volumes are compatible with sales documents:</p> <ul style="list-style-type: none"> <li>• Invoice; and</li> <li>• AUTEF / AUTEX; and</li> <li>• DOF/GF</li> </ul>
1.7 Income and profit taxes	N/A
1.8 Timber harvesting regulations	<p>M (N) - Verify documents that prove the existence of PMFS approved by the environmental agency and can be used as verifiers, for example but not limited to:</p> <ul style="list-style-type: none"> <li>• AUTEX, AUTEF and license of operation;</li> <li>• Post-exploratory report approved when existing.</li> </ul> <p>M (N) – Field verification must be conducted to determine the harvest performed, using and conferring, for example, the following verifiers, but not limited to these:</p> <ul style="list-style-type: none"> <li>• the maps reflecting reality;</li> <li>• the harvesting activities are being carried out within stipulated limits; and</li> <li>• information regarding the area, species, volumes, and other information are in accordance with what was stipulated, considering the operation licenses.</li> </ul>

Indicator	Control measures (M – mandatory / R – recommended)
1.9 Protected sites and species	<p>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;</p> <p>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;</p> <p>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;</p> <p>M (N) - In cases where overlap occurs with conservation units in the Legal Amazon region, present both PMFS and POA;</p> <p>M (N) – In cases of overlap of archeological heritage identified with management units, the good management practices required by the PMFS shall be confirmed to avoid damage to those values.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Soil and water conservation measures, avoiding erosion and damages to those values;</li> <li>• Tree felling direction control, avoiding damages to those values;</li> <li>• Planning of the harvesting and transportation aiming to avoid damages to those values;</li> <li>• Avoid planting near archeological sites, whenever possible.</li> </ul>
1.10 Environmental requirements	<p>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:</p> <ul style="list-style-type: none"> <li>• Harvest of exotic species in APP and, when applicable, taking into account the conditions of the authorization;</li> <li>• Soil / road conservation;</li> <li>• Damage to remaining native vegetation;</li> <li>• Damage to water resources;</li> <li>• Compliance with the requirements of the Environmental Impact Study (EIA) related to Controlled Wood, when applicable;</li> <li>• Proper collection of waste (such as oils, packaging, contaminated material, etc.) generated in harvesting and transportation activities.</li> </ul> <p>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;</p>

Indicator	Control measures (M – mandatory / R – recommended)
	<p>M (N) – Annual Operational Plan (POA) for the current year, approved by the environmental agency, containing all relevant information regarding the operations being carried out;</p> <p>R – Consultation with the environmental agencies to verify the absence of penalties on the supply units related to Controlled Wood, for example:</p> <ul style="list-style-type: none"> <li>• Fines applied to the supply unit related to harvesting and forest transport activities.</li> </ul>
1.11 Health and safety	<p>M – Field verifications to check conformity of operations with occupational health and safety legislation, considering at least, but no limited to:</p> <ul style="list-style-type: none"> <li>• Appropriate use of individual safety equipment;</li> <li>• Confirmation that all legally required protection equipment is provided by the organization with no cost for the forestry worker.</li> <li>• Access to water and food in satisfactory quantity and quality;</li> <li>• Confirmation that working conditions related to harvest and transportation activities are safe in the management unit for all employees;</li> <li>• Appropriate transportation conditions;</li> <li>• Adequate sanitary facilities;</li> <li>• Adequate housing conditions;</li> <li>• Training to carry out the activity;</li> <li>• ASO - Attestation of Occupational Health;</li> <li>• License to Carry and Use (LPU) of the chainsaw.</li> </ul> <p>Note: In case of forest management in areas of traditional populations or family farming, the verification of health and safety guarantees to the worker must respect the cultural values and their production methods.</p> <p>R – Present the Certificate of Debit and Consultation of Procedural Information of Infractions of all suppliers. The issuance of Certificate of Debit, Consultation of Procedural Progress and Consultation of Procedural Information of Infringement Notice can be carried out in the website: <a href="http://consultacpmr.mte.gov.br/ConsultaCPMR/">http://consultacpmr.mte.gov.br/ConsultaCPMR/</a></p> <p>R – Check documental evidence to guarantee that other forest areas and forest activities under management of the supplier, such as silvicultural activities, are in compliance with legal labor health and safety requirements. This verification can include (but are not limited to) the following documents:</p> <ul style="list-style-type: none"> <li>• Registry of provision of personal security equipment to the employees;</li> <li>• Registry of employee's trainings on the execution of their activities.</li> </ul>
1.12 Legal employment	<p>M – Field verifications to check conformity of workers' documentation and guarantees of all labor rights, confirming that:</p> <ul style="list-style-type: none"> <li>• 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);</li> </ul>

Indicator	Control measures (M – mandatory / R – recommended)
	<ul style="list-style-type: none"> <li>• At least the minimum salary or salary compatible with the category, where applicable, is being paid to employees involved in harvesting and transportation activities;</li> <li>• The minimum age is observed for all personnel involved in harvesting, transportation or hazardous activities.</li> <li>• Labor practices similar to slave labor or labor analogous to slavery are not involved in harvesting or transportation activities.</li> </ul> <p>Note: In case of forest management in areas of traditional populations or family farming, the verification of the guarantees of workers' rights must respect the cultural values and their production methods</p>
1.13 Customary rights	<p>M (N) – 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;</p> <p>M (N) – Survey of information that indicates the existence or not of conflict, for example:</p> <ul style="list-style-type: none"> <li>• Media;</li> <li>• Consultation with stakeholders (NGOs, city halls, unions, public bodies, associations and others)</li> </ul> <p>M (N) – In the case of evidence of conflict, field checks with the affected communities shall be carried out.</p>
1.14 Free prior and informed consent	<p>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.</p> <p>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.</p> <p>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.</p>

Indicator	Control measures (M – mandatory / R – recommended)
1.15 Indigenous peoples' rights	<p>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.;</p> <p>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;</p> <p>M (N) - If there are indigenous peoples identified within a range of up to 10 km from the supply units, evidence of sending the geo-referenced information of the area to FUNAI (except small rural properties or rural family possessions).</p>
1.16 Classification of species, quantities, qualities	<p>M (N) – Verify the documents of transactions of native woods that contain information about species, products and quantities commercialized, for example, but not limited to:</p> <ul style="list-style-type: none"> <li>• DOF;</li> <li>• GF;</li> <li>• Invoice.</li> </ul> <p>M (N) – Verify that harvested species and volumes are compatible with sales documents.</p>
1.17 Trade and transport	<p>M (N) – Verify the documents of transactions of native woods that contain information about species, products and quantities commercialized, for example, but not limited to:</p> <ul style="list-style-type: none"> <li>• DOF;</li> <li>• GF;</li> <li>• Invoice.</li> </ul> <p>R (N) - Request the supplier evidence of traceability of the product to the place of harvesting.</p>
1.18 Offshore trading and transfer pricing	N/A
1.19 Custom regulations	N/A
1.20 CITES	N/A
1.21 Legislation requiring due diligence/due care procedures	N/A

## Controlled wood category 2: Wood harvested in violation of traditional and human rights

### Overview

Brazil covers extensive territory and has great diversity of people and culture. The history of Brazilian territorial occupation is marked by disorganized occupation of land and conflicts between different interests. The state seeks, through legislation and monitoring, to recognize and guarantee the rights of indigenous and traditional people, understanding the concept of traditional people as “culturally distinct groups who recognize themselves as such, who possess their own forms of social organization, who occupy and use territories and natural resources as a condition of their cultural, social, religious, ancestral, and economic reproduction, using knowledge, innovations, and practices that are generated and transmitted through tradition” (Decree nº 6.040/2007). Because of the great cultural diversity that exists in the country and because of the self-declarative character of traditional people, these communities are numerous and are distributed across the entire Brazilian territory. These peculiarities make it difficult to identify and analyze the effectiveness of measures meant to protect these peoples’ rights.

The National Colonization and Agrarian Reform Institute - INCRA was created with the aim of carrying out the redistribution of land, seeking alignment with the rights of land tenure and use, especially regarding traditional people. The agency is responsible for monitoring and acting in situations of illegal tenure and use, and for the processes of expropriating and redistributing lands. The National Foundation for Indigenous People (FUNAI) is responsible for guaranteeing the rights of indigenous people, demarcating their territories and seeking to preserve their interests before other public and private interests. The Ministry of Social and Agrarian Development, through the National Commission of Sustainable Development of Traditional People and Communities, is responsible for accompanying and implementing the National Policy for the Sustainable Development of Traditional People and Communities.

Regarding workers’ rights, the Ministry of Labor and Employment seeks to establish and guarantee essential workers’ rights. The ministry is responsible for legislation related to employers’ use of manual labor and for monitoring companies to ensure that they comply with established measures.

### Risk assessment

Indicator	Sources of Information <sup>3</sup>	Functional scale	Risk designation and determination
2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.	See “Detailed analysis”, below.	Native Forests	According to the Blood-Stained Timber report by Greenpeace, and the report by Pastoral Land Commission (CPT) on rural conflicts, many cases of violence against rural communities and traditional population were registered in the Legal Amazon region. Greenpeace points out that these cases are often related to illegal timber logging and land grabbing. In 2017, CPT registered 56 murders related to rural conflicts over land possession in the Legal

<sup>3</sup> Click the text to access the respective source of information

			<p>Amazon region. Nine of these cases are related to a timber company in the State of Mato Grosso, whose owner ordered threats and violence to drive the local people away from their lands. In the State of Rondônia, timber companies are putting pressure on traditional population to drive them away from the Extractive Reserves they live.</p> <p>Also, according to Greenpeace, timber companies involved in those cases export their wood overseas.</p> <p><u>Note:</u> Even though these cases do not specifically apply to the concept of conflict timber according to the FSC National Risk Assessment Framework, given the importance of this issue to the Brazilian reality, it was evaluated in the context of this indicator. Considering the many cases of violent conflicts and threats related to timber logging in Legal Amazon, this indicator was designated as specified risk for native forests.</p> <p><b>Risk Determination</b></p> <p>Indicator 2.1 was considered as <b>specified risk</b> for native forests.</p> <p>The following specified risk thresholds are met:</p> <p>(6) The area under assessment is a source of conflict timber; AND (7) Operators in the area under assessment are involved in conflict timber supply/trade, (identified entities should be specified whenever possible and in compliance with the law).</p>
	See "Detailed analysis", below.	Plantations	<p>Conflicts related to plantations, when they occur, are restrict to legal conflicts over land possession. There are no known cases of any kind of violent conflict involving the forest sector for planted species. Assuming that: the area under assessment is not a source of conflict timber; the country is not covered by a UN security ban on exporting timber; the country is not covered by any other international ban on timber export; operators in the area under assessment are not involved in conflict timber supply/trade; other available evidence does not challenge a 'low risk' designation. Indicator 2.1 was considered low risk for plantations.</p>

			<p><b>Risk Determination</b></p> <p>Indicator 2.1 was considered as <b>low risk</b> for plantations.</p> <p>All low risk thresholds (1, 2, 3, 4 and 5) are met:</p> <p>(1) The area under assessment is not a source of conflict timber; AND (2) The country is not covered by a UN security ban on exporting timber; AND (3) The country is not covered by any other international ban on timber export; AND (4) Operators in the area under assessment are not involved in conflict timber supply/trade; AND (5) Other available evidence does not challenge a 'low risk' designation.</p>
2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.	See "Detailed analysis", below.	Country	<p>Evidences found proved the risk of occurrence of slave labor and/or child labor in eight states. Also, data from the Labor Inspection Office points out cases of violation of labor rights in all Brazilian states. Since there are few inspections by official bodies, there is risk of these violations occurring anywhere in the country. Also, even though there are no data concerning other kinds of violations, experts from the SDG understand that these violations are frequent and systematic throughout the country, even for the forest activity. Therefore, the precautionary approach was applied.</p> <p><b>Risk Determination</b></p> <p>Indicator 2.2 was considered a <b>specified risk</b> for the whole country.</p> <p>The following specified risk thresholds are met:</p>

			<p>(14) The applicable legislation for the area under assessment contradicts indicator requirement(s); AND (15) There is substantial evidence of widespread violation of the ILO Fundamental Principles and Rights at Work.</p>
2.3. The rights of Indigenous and Traditional Peoples are upheld.	See "Detailed analysis", below.	Country	<p><b>Determination of risk</b></p> <p>Indicator 2.3 was considered a <b>specified risk</b> for the whole country.</p> <p>The following specified risk thresholds are met:</p> <p>(22) The presence of indigenous and/or traditional peoples is confirmed or likely within the area. The applicable legislation for the area under assessment covers ILO provisions governing the identification and rights of indigenous and traditional peoples and UNDRIP but risk assessment for relevant indicators of Category 1 confirms 'specified risk'; AND (24) Substantial evidence of widespread violation of indigenous or traditional peoples' rights exists; AND (25) Indigenous and/or traditional peoples are not aware of their rights.</p>

## Control measures

Guidance note:

- Text marked with **(P)** is applicable exclusively for **planted forests**;
- Text marked with **(N)** is applicable exclusively for **native forests**;
- Text with **no marking** is applicable either for **planted forests** and **native forests**;
- Every time field surveys are required as a control measure, they must be conducted at least once in each CW supply unit during the time it is supplying;
- Every time consultation with stakeholders is required as a control measure, it must be conducted annually;
- Some verifiers are suggested, which does not exclude the possibility of using other evidences that prove to be pertinent.

Indicator	Control measures (M – mandatory / R – recommended)
2.1	M (N) – Verify reports about violent conflicts, such as Greenpeace “Blood Stained Timber”, to guarantee that the sourcing area is not involved directly or indirectly in violent conflicts.
2.2	<p>M - Carry out field surveys to evidence<sup>4</sup> that:</p> <ul style="list-style-type: none"> <li>• timber is produced under policies that respect freedom of association and right to collective bargaining and absence of discrimination;</li> <li>• there is no labor analogous to slavery or child labor.</li> <li>• there is no discrimination in employment, occupation, gender and / or race.</li> </ul> <p>R – Present Certificate of Debit and Consultation of Procedural Information of Infractions of all the units of supply. The issuance of Certificate of Debit, Consultation of Procedural Progress and Consultation of Procedural Information of Infringement Notice can be carried out in the website: <a href="http://consultacpmr.mte.gov.br/ConsultaCPMR/">http://consultacpmr.mte.gov.br/ConsultaCPMR/</a></p>
2.3	<p>M – 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 to 10 km. In order to verify such overlap, one can use, for example, information available in:</p> <ul style="list-style-type: none"> <li>• FUNAI;</li> <li>• INCRA.</li> </ul> <p>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;</p> <p>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 if the areas of supply of controlled wood are not in a situation of land disputes;</p>

<sup>4</sup> Evidence is considered as interviews, factual observations, documents and/or records.

Indicator	Control measures (M – mandatory / R – recommended)
	<p>M – Field verification of evidences that attest the management is not being conducted inside indigenous or traditional lands;  Or,  Evidences that management is being conducted in accordance with government directives for indigenous or traditional lands;  Or,  Evidence that management is happening with the consent of indigenous or traditional people, for example, through the existence of contracts;  Or,  Clear evidence that the Supply Unit is managed by the governance structures of indigenous or traditional peoples.</p> <p>R – When there is overlap or proximity in a range of up to 10 km from the area of supply of controlled wood to Indigenous lands, request evidence that has been reported to FUNAI prior to the execution of any activity that may affect them.</p>

## Detailed analysis

***This section contains information from a study carried out for Brazil in 2015 (CNRA) by a social specialist.***

Sources of information	Evidence	Scale of risk assessment	Risk indication
<b>Context</b> (the following are indicators that help to contextualize the information from other sources) Searching for data on: level of corruption, governance, lawlessness, fragility of the State, freedom of journalism, freedom of speech, peace, human rights, armed or violent conflicts by or in the country, etc.			
Committee to Protect Journalists: Impunity Index <sup>16</sup> ( <a href="http://www.cpi.org/reports/2011/06/2011-impunity-index-getting-away-murder.php">http://www.cpi.org/reports/2011/06/2011-impunity-index-getting-away-murder.php</a> );	<a href="https://cpi.org/reports/2012/04/impunity-index-2012.php">https://cpi.org/reports/2012/04/impunity-index-2012.php</a> “Even though prosecutors have won convictions in at least five cases over the last decade, recent journalist murders have kept Brazil on the index. 27 Journalists Murdered in Brazil since 1992 (4 in 2012, 3 in 2013).” No links with timber mentioned.	Country	
Carleton University: Country Indicators for Foreign Policy: the Failed and Fragile States project of Carleton University examines state fragility using a combination of structural data and current event monitoring <a href="https://carleton.ca/cifp/failed-fragile-states/">https://carleton.ca/cifp/failed-fragile-states/</a>	<a href="https://carleton.ca/cifp/failed-fragile-states/country-ranking-table/">https://carleton.ca/cifp/failed-fragile-states/country-ranking-table/</a> Brazil scores medium-low on State fragility rank 2012. No links with timber mentioned	Country	
Human Rights Watch	<a href="http://www.hrw.org/world-report/2014/country-chapters/brazil">http://www.hrw.org/world-report/2014/country-chapters/brazil</a> “The country continues to confront serious human rights challenges, including unlawful police killings, the use of torture, prison overcrowding, and ongoing impunity for abuses committed during the country’s military rule (1964-1985).”	Country	
Amnesty International Annual Report: The state of the world’s human rights - information on key human rights issues, including: freedom of expression; international justice;	<a href="http://www.amnesty.org/en/library/asset/AMR19/012/2012/en/245ea4df-5209-41cb-80a2-1fea75da9242/amr190122012en.pdf">http://www.amnesty.org/en/library/asset/AMR19/012/2012/en/245ea4df-5209-41cb-80a2-1fea75da9242/amr190122012en.pdf</a>	States of Pará and Maranhão	

<p>corporate accountability; the death penalty; and reproductive rights  <a href="https://www.amnesty.org/en/search/?q=&amp;sort=date&amp;document_Type=Annual+Report">https://www.amnesty.org/en/search/?q=&amp;sort=date&amp;document_Type=Annual+Report</a></p>	<p>“Láisa Santos Sampaio works as a schoolteacher in the rural community where she lives in Pará state, Brazil. She has received repeated threats after campaigning on environmental issues and against the interests of illegal loggers, charcoal producers and land grabbers. Two members of her family were killed in 2011 after campaigning on the same issues and following similar threats.”  <a href="http://www.amnesty.org/en/library/asset/AMR19/005/2013/en/e6a725c4-cb3a-4f55-9ac2-457aca74deba/amr190052013en.pdf">http://www.amnesty.org/en/library/asset/AMR19/005/2013/en/e6a725c4-cb3a-4f55-9ac2-457aca74deba/amr190052013en.pdf</a>  RURAL LEADER THREATENED IN LAND CONFLICT  “Rural leader Antônio Isídio Pereira da Silva and families from the community of Vergel, in the interior of the north-eastern Brazilian state of Maranhão, have received a series of death threats. Vergel has long been targeted by loggers and land-grabbers who have repeatedly used violence to intimidate them. The rural smallholder community of Vergel, 50km from the town of Codó in the interior of Maranhão state, is coming under sustained pressure from land-grabbers and loggers who want to drive them off their lands.”</p>		
<p>Freedom House  <a href="https://freedomhouse.org/">https://freedomhouse.org/</a></p>	<p><a href="http://www.freedomhouse.org/country/brazil#.UzGdePI5O1U">http://www.freedomhouse.org/country/brazil#.UzGdePI5O1U</a>  The status of Brazil on the Freedom House index is ‘free’, while the scores on internet and press are: ‘partly free’. No links with timber mentioned.</p>	Country	
<p>Reporters without Borders: Press Freedom Index22  <a href="http://en.rsf.org/press-freedom-index-2010,1034.html">http://en.rsf.org/press-freedom-index-2010,1034.html</a></p>	<p><a href="http://en.rsf.org/spip.php?page=classement&amp;id_rubrique=1054">http://en.rsf.org/spip.php?page=classement&amp;id_rubrique=1054</a>  Brazil ranks nr. 108 out of 178 with score of 32,75 on the 2013 World Press Freedom Index, which makes it a country with ‘noticeable problems’. Brazil (108th, -9), continued last year’s fall because five journalists were killed in 2012 and because of persistent problems affecting media pluralism.</p>	Country	
<p>Fund for Peace <a href="http://www.fundforpeace.org/global/?q=cr-10-99-fs">http://www.fundforpeace.org/global/?q=cr-10-99-fs</a></p>	<p><a href="http://ffp.statesindex.org/rankings-2013-sortable">http://ffp.statesindex.org/rankings-2013-sortable</a>  Brazil is ranked 126 out of 178 countries on the failed states index. (nr 1 being the most failed state). This is very close to ‘stable’, but still just in the category ‘warning’. No links with timber mentioned.   <a href="http://library.fundforpeace.org/library/ttcvr1208-threatconvergence-triborder-04e.pdf">http://library.fundforpeace.org/library/ttcvr1208-threatconvergence-triborder-04e.pdf</a>  “The Tri-Border Area is formed by the junction of three different cities: Puerto Iguazú, Argentina; Foz do Iguazu, Brazil (Paraná); and Ciudad del Este, Paraguay. [...] The region is largely ungoverned due to weak, inadequate, or ignored laws. A myriad of shadowy black markets, pirated CDs, stolen cars, falsified documentation, and trafficked humans – among other commoditized “goods” – all pass through this region either completely undetected or with tacit acceptance from the local governments. Money laundering and tax evasion also form part of the colorful gamut of illegality that runs rampant in what a reporter has termed as “a terrorist’s paradise.” High rates of violence and petty crime also plague the region and exist in tandem with poor money laundering controls and low government preparedness.” (p.3)</p>	Country  State of Paraná (city Foz do Iguazu and surroundings)	
<p>The Global Peace Index is published by the Institute for Economics &amp; Peace. This index is the world’s leading measure of national peacefulness. It ranks 162 nations according to their ‘absence of violence’. It’s made up of 23 indicators, ranging</p>	<p><a href="http://www.visionofhumanity.org/sites/default/files/2013_Global_Peace_Index_Report_0.pdf">http://www.visionofhumanity.org/sites/default/files/2013_Global_Peace_Index_Report_0.pdf</a>  The state of Peace in Brazil is labelled ‘Medium’ with Brazil ranking number 81 out of 162 countries with a score of 2.051. (p. 5)</p>	Country	

from a nation's level of military expenditure to its relations with neighboring countries and the level of respect for human rights. <a href="http://economicsandpeace.org/research/iep-indices-data/global-peace-index">http://economicsandpeace.org/research/iep-indices-data/global-peace-index</a>	“Although levels of criminality vary significantly from country to country, South America remains one of the most violent regions in the world. This is reflected in a high homicide rate in some of the biggest countries, such as Brazil and Colombia, and has been a particularly worrying recent trend in Venezuela, where the homicide rate is now one of the highest in the world. There, as in other countries in the region, violence is fueled by a combination of poor social indicators, the presence of national and international criminal groups (mainly drug-traffickers), weak security forces and corrupt judicial and penal systems.(p. 10)		
<b>Additional sources of information</b> (These sources were partly found by Googling the terms [country], 'timber', 'conflict', 'illegal logging')	<b>Evidence</b>	<b>Scale of risk assessment</b>	<b>Risk indication</b>
From NRA FSC Brazil: Illegal logging: <a href="http://www.globalwitness.org/campaigns/environment/forests">www.globalwitness.org/campaigns/environment/forests</a>	Brazil NRA Category 2 does not include data on illegal logging. <a href="http://www.globalwitness.org/library/sharp-rise-environmental-and-land-killings-pressure-planet%E2%80%99s-resources-increases-%E2%80%93-report">http://www.globalwitness.org/library/sharp-rise-environmental-and-land-killings-pressure-planet%E2%80%99s-resources-increases-%E2%80%93-report</a> “Brazil is the most dangerous place to defend rights to land and the environment, with 448 killings, followed by Honduras (109) and the Philippines.” (67).	Country	
Transparency International Corruption Perceptions Index	<a href="https://www.transparency.org/en/cpi">Transparency International – Corruption Perception Index 2017</a> Brazil scores 37 points on the Corruption Perceptions Index 2017 on a scale from 0 (highly corrupt) to 100 (very clean). Brazil ranks 96 out of 180 with rank nr. 1 being the cleanest country.	Country	
Chatham House illegal logging indicators country report card	<a href="http://www.illegal-logging.info/sites/default/files/uploads/CHillegalloggingreportcardbrazil.pdf">http://www.illegal-logging.info/sites/default/files/uploads/CHillegalloggingreportcardbrazil.pdf</a> “Wood-balance analysis suggests that illegal logging in the Brazilian Amazon has declined by 50–75% since 2000. [measured in 2008] Most of the reduction occurred in the last five years and is closely correlated with a similarly dramatic decline in deforestation. Wood-balance analysis suggests that around 34% of harvesting in the Brazilian Amazon is still illegal, but surveyed experts believed it to be much worse (72% of production).”	Amazon region	
WWF	<a href="http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/">http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/</a> Illegal logging occurs in all types of forests, across all continents, from Brazil to Canada, Cameroon to Kenya, and from Indonesia to Russia, destroying nature and wildlife, damaging communities and distorting trade. Illegal logging is a major problem in the Congo Basin and the Amazon. But it also happens in Canada and across Europe.	Amazon region	
<b>Conclusion on country context:</b> Brazil scores in the middle on most indicators reviewed in this context section. It is not considered a 'fragile' country but is also still not considered a 'stable' country either. Corruption and illegal logging are still a problem in Brazil, the country is facing some 'serious human rights challenges' and has 'noticeable problems' in relation to press freedom. It is the 'most dangerous place to defend rights to land and the environment' and in general has a high homicide rate. The Tri-Border Area in the state of Paraná is particularly considered largely ungoverned with high rates of violence.		Country	

Indicator 2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.			
<b>Guidance</b> <ul style="list-style-type: none"> <li>• Is the country covered by a UN security ban on exporting timber?</li> <li>• Is the country covered by any other international ban on timber export?</li> <li>• Are there individuals or entities involved in the forest sector that are facing UN sanctions?</li> </ul>			
Compendium of United Nations Security Council Sanctions Lists <a href="https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list">https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list</a> US AID: <a href="http://www.usaid.gov">www.usaid.gov</a>  Global Witness: <a href="http://www.globalwitness.org">www.globalwitness.org</a>	There is no UN Security Council ban on timber exports from Brazil  Brazil is not covered by any other international ban on timber export.  There are no individuals or entities involved in the forest sector in Brazil that are facing UN sanctions.	Country	Low risk
<b>Guidance</b> <ul style="list-style-type: none"> <li>• Is the country a source of conflict timber? If so, is it at the country level or only an issue in specific regions? If so – which regions?</li> <li>• Is the conflict timber related to specific entities? If so, which entities or types of entities?</li> </ul>			
Greenpeace – Blood-Stained Timber (2017) <a href="https://www.greenpeace.org.br/hubfs/Greenpeace_BloodStainedTimber_2017.pdf">https://www.greenpeace.org.br/hubfs/Greenpeace_BloodStainedTimber_2017.pdf</a>	<p>“On 19 April 2017, as families were relaxing at home, four men armed with knives, machetes, revolvers and large-caliber rifles drove onto Linha (small dirt road) 15 in the district of Taquaruçu do Norte, a rural area of Colniza municipality in Brazil’s Mato Grosso State, with a straightforward goal: to kill as many people as possible, so as to terrorize the local population and drive them away. The extermination group, known as ‘The Hooded Ones’, attacked communities across a ten-kilometer stretch of the road, torturing villagers and murdering nine of them: Francisco Chaves da Silva, Edson Alves Antunes, Izaul Brito dos Santos, Alto Aparecido Carlini, Sebastião Ferreira de Souza, Fábio Rodrigues dos Santos, Samuel Antônio da Cunha, Ezequias Santos de Oliveira and Valmir Rangel do Nascimento. Some of the victims were found with their hands tied behind their backs and machete wounds across their bodies.</p> <p>This horrifying scene may seem like something from a crime thriller, but what happened was all too real, and moreover this was not an isolated case. Such brutal violence is a feature of the everyday lives of rural communities in Brazil, especially in the Amazon, where violent conflicts over land are a frequent occurrence, driven both by illegal loggers and by land grabbers who clear the forest illegally to grow crops or pasture cattle.</p> <p>According to a report by the Justice Department of Mato Grosso State (Ministério Público do Estado de Mato Grosso, MPE-MT),<sup>2</sup> the ‘Colniza massacre, as the case has become known, was motivated by loggers’ greed for the timber resources of the district of Taquaruçu do Norte, which include high-value species such as ipê, jatobá, and massaranduba, widely used in the manufacture of furniture and garden decking.</p> <p>The first reports of conflict related to illegal logging in the district of Taquaruçu do Norte date back to 2007, when, according to the MPE-MT, <sup>3</sup> ‘on 23 May [...] the police was assigned to the special task of assisting ongoing investigations into murders and attempted murders that were putting the municipality of Colniza at the top of the national ranking of violence. [...] On 28 August the police launched an operation codenamed</p>	Native forests	Specified risk

	<p>“Ouroverde” [“Green Gold”] in the course of which we were able to arrest the main perpetrators of the crimes in question.’</p> <p>In 2014 the same district was the scene of the double murder of Alfredo Teixeira Mendes Filho and Delmar Telek – about which, according to the MPE-MT report, the people of the district are still unwilling to talk – along with the burning of houses and the kidnapping of Abenis Pedro de Lima. These crimes remain unsolved, with no suspect having even been charged as of November 2017.</p> <p>It was in the same year that Valmir Rangel, one of the victims of the Colniza massacre, first told the police he ‘feared for his life’ and that hooded men were terrorizing the local population. Threats continued, with reports in 2016 of family evictions, land-grabbing, fires, illegal logging and deforestation, and trading of illegal timber.</p> <p>The Colniza massacre made headlines in the national and international media, and the man accused of ordering the murders, Valdelir João de Souza, sawmill owner and timber exporter, is currently on the run from the police. He has been charged by the state attorney with ordering the violence and murders in Colniza in order to ensure that loggers could gain access to the forest area where the small farmers lived, so as to harvest valuable timber tree species.<sup>5</sup> Among those also indicted by the MPE-MT for the Colniza massacre are four individuals accused of having been hired as gunmen by Valdelir João de Souza to kick out the residents from the area.</p> <p>Nevertheless, de Souza’s timber milling and export operations continue unimpeded, as witnessed by Greenpeace during a July 2017 field expedition to the nearby town of Machadinho d’Oeste, the findings from which are available online. Day in, day out, de Souza’s company Madeireira Cedroarana is processing timber to be sold on national and international markets.”</p>		
<p>Pastoral Land Commission – Rural Conflicts in Brazil 2016  <a href="https://www.cptnacional.org.br/publicacoes-2/destaque/3727-conflitos-no-campo-brasil-2016">https://www.cptnacional.org.br/publicacoes-2/destaque/3727-conflitos-no-campo-brasil-2016</a></p>	<p><a href="https://www.cptnacional.org.br/component/jdownloads/download/5-assassinatos/14082-assassinatos-2017">https://www.cptnacional.org.br/component/jdownloads/download/5-assassinatos/14082-assassinatos-2017</a>  56 murders related to rural conflicts in the Legal Amazon in 2017. At least 9 of them related to timber companies.</p> <p><a href="https://www.cptnacional.org.br/component/jdownloads/category/11-tentativa-de-assassinato?Itemid=-1">https://www.cptnacional.org.br/component/jdownloads/category/11-tentativa-de-assassinato?Itemid=-1</a>  103 murdering attempts in the Legal Amazon in 2017.</p> <p><a href="https://www.cptnacional.org.br/component/jdownloads/category/15-ameacados-de-morte?Itemid=-1">https://www.cptnacional.org.br/component/jdownloads/category/15-ameacados-de-morte?Itemid=-1</a>  189 death threats in the Legal Amazon in 2017.</p>	<p>Native forests</p>	<p>Specified risk</p>
<p>World Bank: Worldwide Governance Indicators - the WGIs report aggregate and individual governance indicators for 213 economies (most recently for 1996–2016), for six dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption</p>	<p><a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a>  In 2016 (last year available), Brazil’s score in the indicator of political stability and absence of violence Countries is 35 (ranges from 0 (lowest) to 100 (highest)) with higher values corresponding to better results. Values above 75 are considered low risk. (Similar to the advice of FSC Director 40-005 (p.14), the World Bank’s “rule of law” index is used to demonstrate the effectiveness of law enforcement for Indicator 3.2 through a high rating (≥ 75 %).</p>	<p>Country</p>	<p>Specified risk</p>

<a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a>			
The World Bank also produces a Harmonized List of Fragile Situations: <a href="http://pubdocs.worldbank.org/en/189701503418416651/FY18FCSLIST-Final-July-2017.pdf">http://pubdocs.worldbank.org/en/189701503418416651/FY18FCSLIST-Final-July-2017.pdf</a>	<a href="http://pubdocs.worldbank.org/en/189701503418416651/FY18FCSLIST-Final-July-2017.pdf">http://pubdocs.worldbank.org/en/189701503418416651/FY18FCSLIST-Final-July-2017.pdf</a> Brazil does not feature in this list.	Country	Low risk
USAID	<a href="http://pdf.usaid.gov/pdf_docs/PNADE290.pdf">http://pdf.usaid.gov/pdf_docs/PNADE290.pdf</a> Forests and conflict: a toolkit for programming (2005; outdated) "For example, about 80 % of Brazil's timber is logged illegally. (p.3) In the Amazon region of Brazil, cattle ranchers moving into the forests have come into conflict with traditional rubber tappers. (p. 4) In Brazil, the rampant use of falsified land titles to exploit public land, known as <i>grilagem</i> , has become a powerful tactic to enable outsider domination in the Amazon. The proliferation of this illicit practice can be attributed to the lack of a central land registry, complicit land registration offices, and a legal vacuum regarding land tenure. Once illegal landholders obtain possession of property, they often use violence to expel traditional communities with legitimate land rights. The general lack of governance and law enforcement allows them to intimidate people through murder and other threats in order to exploit the land for financial gain (Greenpeace International2003)." Use of violence mentioned in this source is not an 'armed or violent conflict'.	Country	Low risk
<a href="http://www.globalwitness.org/campaigns/environment/forests">www.globalwitness.org/campaigns/environment/forests</a>	<a href="http://www.globalwitness.org/library/sharp-rise-environmental-and-land-killings-pressure-planet%E2%80%99s-resources-increases-%E2%80%93-report">http://www.globalwitness.org/library/sharp-rise-environmental-and-land-killings-pressure-planet%E2%80%99s-resources-increases-%E2%80%93-report</a> "Brazil is the most dangerous place to defend rights to land and the environment, with 448 killings [between 2002 and 2013], followed by Honduras (109) and the Philippines (67)." This type of violence is not considered 'armed or violent conflict'	Country	Low risk
Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a>	No specific information on conflict timber found, but some information on labor rights (see under 2.2) and IPs/TPs (see under 2.3) but no clear link to timber.	Country	Low risk
Greenpeace	Some information found on conflicts related to indicator 2.2 and 2.3. No information found on relation between timber and 'armed or violent conflicts'.	Country	Low risk
<b>Conclusion on indicator 2.1 for plantations:</b> Although several types of violence were reported, these cannot be classified as 'armed conflicts'. <b>The following low risk thresholds apply:</b> (1) The area under assessment is not a source of conflict timber; AND (2) The country is not covered by a UN security ban on exporting timber; AND (3) The country is not covered by any other international ban on timber export; AND (4) Operators in the area under assessment are not involved in conflict timber supply/trade; AND (5) Other available evidence does not challenge 'low risk' designation.		Plantations	Low risk

<p><b>Conclusion on indicator 2.1 for native forests:</b> Although the types of violence reported cannot be classified as 'armed conflicts', they can be considered as a risk for the supply coming from these areas. Taking into account the many cases of violent conflicts and threats related to timber logging in Legal Amazon, this indicator was designated as specified risk for native forest.</p> <p><b>The following specified risk thresholds apply:</b></p> <p>(6) The area under assessment is a source of conflict timber</p> <p>(7) Operators in the area under assessment are involved in conflict timber supply/trade, (identified entities should be specified whenever possible and in compliance with the law)</p>	Native forests	Specified risk
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<p><b>Indicator 2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.</b></p> <p><b>Guidance</b></p> <ul style="list-style-type: none"> <li>• Are the social rights covered by the relevant legislation and enforced in the country or area concerned? (refer to category 1)</li> <li>• Are rights like freedom of association and collective bargaining upheld?</li> <li>• Is there evidence confirming absence of compulsory and/or forced labour?</li> <li>• Is there evidence confirming absence of discrimination in respect of employment and/or occupation, and/or gender?</li> <li>• Is there evidence confirming absence of child labour?</li> <li>• Is the country signatory to the relevant ILO Conventions?</li> <li>• Is there evidence that any groups (including women) feel adequately protected related to the rights mentioned above?</li> <li>• Are any violations of labour rights limited to specific sectors?</li> </ul>
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General sources from FSC-PRO-60-002a V1-0 EN	Information found and specific sources	Scale of risk assessment	Risk indication
<p>Status of ratification of ILO conventions:  <a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11001:0::NO::">http://www.ilo.org/dyn/normlex/en/f?p=1000:11001:0::NO::</a></p>	<p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102571">http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102571</a></p> <p>Brazil ratified 7 of the 8 Fundamental ILO Conventions. Brazil did not ratify ILO Convention No. 87: Freedom of Association and Protection of the Right to Organize (1948).</p> <p><a href="http://www.oit.org.br/sites/default/files/topic/international_labour_standards/pub/declaracao_oit_293.pdf">http://www.oit.org.br/sites/default/files/topic/international_labour_standards/pub/declaracao_oit_293.pdf</a></p> <p>Brazil has ratified ILO Conventions 100 and 111. Convention 100 deals with the equal remuneration of men and women workers for work of equal value. Convention 111 deals with discrimination in respect of employment and occupation.</p>	Country	Specified risk for freedom of association

<p>ILO Declaration on Fundamental Principles and Rights at Work  <a href="http://www.ilo.org/declaration/lang-en/index.htm">http://www.ilo.org/declaration/lang-en/index.htm</a></p>	<p><a href="http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---webdev/documents/publication/wcms_082607.pdf">http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---webdev/documents/publication/wcms_082607.pdf</a>  “Racial discrimination continues to be an obstinate problem. It shows a slow decline in countries such as Brazil [...]”.</p> <p><a href="http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_165832.pdf">http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_165832.pdf</a>  “The PNAD data shows that the number of working children and adolescents between the ages of five and 17 years declined from 8.42 million (19.6 per cent) in 1992 to 4.45 million (10.2 per cent) in 2008. More specifically, the proportion of working children between the ages of ten and 14 years fell from 20.5 to 7.22 per cent in the same time period. Currently, child labour tends to occur mostly in the form of domestic service, family agriculture, commerce, and services in the urban informal sector”( p. 7)</p> <p>“In 2008 the Committee of Experts stated that, despite the efforts of the labour inspectorate, the rulings handed down by courts and the existing legislation, the phenomenon of forced labour still exists.” (p. 11)</p> <p>“Gender occupational segregation still prevails in the Brazilian labour market. [...] Discrimination against women is also evident in managerial positions where, in 2007, 71per cent were occupied by men. Even more salient in this sector is racial discrimination, with whites holding 88 per cent of the positions, despite blacks forming 53 per cent of the total employed population.” (p.11)</p>	<p>Country</p>	<p>Specified risk for discrimination, child labor and forced labor.</p>
<p>ILO Child Labour Country Dashboard:  <a href="http://www.ilo.org/ipecc/Regionsandcountries/lang-en/index.htm">http://www.ilo.org/ipecc/Regionsandcountries/lang-en/index.htm</a></p>	<p><a href="http://www.ilo.org/ipeccinfo/product/viewProduct.do?productId=18415">http://www.ilo.org/ipeccinfo/product/viewProduct.do?productId=18415</a>  “At national level, 4,3 million of children between 5 and 17 years are found in the labour market. 34,6% are found in agriculture. 35.05% of these children are working in agriculture, mostly undertaking hazardous activities.” (p.3)</p> <p><a href="http://www.ilo.org/ipeccinfo/product/viewProduct.do?productId=7792">http://www.ilo.org/ipeccinfo/product/viewProduct.do?productId=7792</a>  “Results from the Brazil National Child Labour Survey (SIMPOC, 2001) indicate that 9.1 per cent (1.5 million) of boys and 4.5 per cent (0.7 million) of girls ages 5-14 work, resulting in 6.8 per cent (2.2 million) of all children in that age group working.(p.5) Among working children 5-14 years, approximately three out of every five are employed in the agricultural sector, 7.9 per cent are employed in the industrial sector and the remaining 33.5 per cent work in services.” (p. 6)</p>	<p>Country</p>	<p>Specified risk for child labour</p>
<p>Global March Against Child Labour:  <a href="http://www.globalmarch.org/">http://www.globalmarch.org/</a></p>	<p><a href="http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_126752.pdf">http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_126752.pdf</a>  “The rate of child labour for the age group 5–15 decreased from 13.6 per cent to 5.8 percent between 1992 and 2008. In the same period the rate for the age group 5–9 years dropped from 3.6 percent to 0.9 per cent. [...] Brazil has also prepared a national plan of action in conformity with the 2008 target and set 2015 as the goal to eliminate the worst forms of child labour and 2020 for all forms (p. 21) The recent initiative of the</p>	<p>Country</p>	<p>Specified risk for child labour</p>

	Brazilian state of Bahia aiming at child labour-free status by 2015 has, however, set out a new level of ambition that offers a model to other large federal states.”(p. 51)		
ILO Helpdesk for Business on International Labour Standards: <a href="http://www.ilo.org/empent/areas/business-helpdesk/lang-en/index.htm">http://www.ilo.org/empent/areas/business-helpdesk/lang-en/index.htm</a>	<p><a href="http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_111297.pdf">http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_111297.pdf</a></p> <p>“In Brazil, the expression ‘slave labour’ is the term most widely used to refer to the coercive recruitment and employment practices that affect, for the most part, labourers in the rural sector carrying out various activities linked to: cattle-farming; the cultivation of cotton, maize, soya, rice, beans and coffee; the extraction of latex (the raw material used in the production of rubber) and wood; swine-herding; and charcoal production, as can be seen in Figure 1” (p. 9)</p> <p>“Figure 1: Productive activities of estates found employing workers kept in conditions analogous to slavery in Brazil</p> <ul style="list-style-type: none"> <li>- Vegetal extraction (wood, latex, palm, heart, resin) 2.6%” (p. 9)</li> </ul> <p><a href="http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_155946.pdf">http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_155946.pdf</a></p> <p>“A recent study concluded that the region with the most occurrences of slave labour in Brazil is the region known as the “arc of deforestation” in the north of the country (ILO 2010:47). According to the MTE, three states are the largest exporters of workers that end up in conditions similar to slavery – Maranhão, Piauí and Tocantins – while the largest quantity of workers rescued from these conditions were found in Pará, Mato Grosso, Maranhão and Tocantins. Of these, Pará and Mato Grosso had the largest number of occurrences, almost 60% of all workers rescued by the GEFM between 1995 and 2006 (ILO, 2010:69). Many times, the practice of submitting workers to conditions analogous to slavery is linked to the degradation of the environment, for this type of manual labour is frequently used in activities like illegal deforestation” (p. 17)</p> <p><a href="http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_228791.pdf">http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_228791.pdf</a></p> <p>“Despite the closing of many gaps during the period under analysis, there are still inequalities of gender and race and among the country’s regions, which decisively contributes to the persistence of Decent Work deficits among women and blacks as well as among Federation Units.” (foreword, p. 5)</p> <p>“Because forced labor is a serious crime as provided in the Brazilian Penal Code, as well as constituting a grave violation not only of labor legislation but of human rights and fundamental labor rights, it is very difficult to obtain regular statistics on the number of workers submitted to conditions analogous to slavery and, consequently, construct indicators on forced labor. Some of the information available and which allows for one to make an estimate of the problem stems from the number of rescued workers by the Special Mobile Inspection Group (GFEM) [...]” (p.143)</p>	Country	Specified risk for slave labor, child labor, gender discrimination and freedom of association

“When analyzing Federation Units, four of them concentrated almost half (6.454 or 46.6%) of total freed workers:  
 Pará – 1,929 (13.9%)  
 Goiás – 1,848 (13.4%)  
 Minas Gerais – 1,578 (11.4%)  
 Mato Grosso – 1,099 (7.9%)” (p. 144)  
 See also Table 50: TOTAL ACCUMULATED NUMBER OF RESCUED WORKERS IN WORK CONDITIONS ANALOGOUS TO SLAVERY BRAZIL, REGIONS AND FEDERATION UNITS, 2008 TO 2011 (p. 145)

“The percentage of municipalities with offenders varied greatly among regions, going from 1.4% in the Southeast to about 13.0% in the North and Centre-West Regions. The state of Pará presented the largest proportion of the country of municipalities with registered employers (22.4%), followed by Mato Grosso do Sul (20.3%), Mato Grosso (17.0%) and Tocantins” (14.4%).

“According to PNAD, the number of employed children between 5 and 17 years old went down by 1.05 million between 2004 and 2009, from 5.30 million to 4.25 million. As a result, the percentage of working (occupation level) children and adolescents in this age group was reduced from 11.8% to 9.8% during this period and has remained under two digits since 2009.” (p. 154)

“Table 54: Percentage of employed children and adolescents in the reference week, by age group Brazil, regions and federation units, 2004 and 2009” (p. 155)

“Considering the activity of the main job, slightly more than one third of boys and girls aged 5-17 (34.6%) worked in the agricultural sector, while child labor was predominately found in non-agricultural activities. (p. 157) With approximately 910 thousand working children, family agriculture accounted for 85.6% of all children under the age of 14 working in agricultural establishments.” (p. 165).

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_091262.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_091262.pdf)  
 COUNTRY BASELINES UNDER THE 1998 ILO DECLARATION ANNUAL REVIEW (2000-2014): BRAZIL - FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING (FACB)  
 CHALLENGES IN REALIZING THE PRINCIPLE AND RIGHT - According to the social partners - Workers' organizations:  
**2009 AR:** “According to the CUT: Whenever tackling labour reform, the CUT supports the end of the single trade union system. The ITUC reiterated the observations it made under the previous ARs, in particular as regards:  
 (i) the link between the “Unicidade” System and the compulsory trade union tax; and (ii) the practical impossibility to exercise the right to strike in the public service and in the

private sectors. It also mentioned the new Law 1990/07 of the Executive Power that recognizes trade union confederations as entity to represent workers generally and legally, as well as the need for the Government to put into practice its intention expressed by President Lula da Silva to revise Brazil Labour Code in compliance with international labour standards, especially C.87.”

**2008 AR:** “The ITUC indicated the following challenges: by law, each worker must pay a compulsory trade union tax, equivalent to one day’s pay. It is deducted from their pay in March and then distributed to the unions, federations and confederations. A portion also goes to an employment and wage fund at the Ministry of Labour. The funds are distributed in proportion to the number of workers legally represented (based on the obligatory single union system, not on the number of workers actually affiliated).”

**2007 AR:** “According to the ICFTU: (i) the «unicidade» system provides that there can only be one trade union per economic or occupational category in each territorial area. This geographically based single union system means that some sectorial federations and national trade union centers are not legal; (ii) restrictions on the right to strike in the public services; (iii) establishment by companies of a blacklist system that targets workers who filed complaints against their employer; (iv) the anti-discrimination legislation is not enforced in case of violations and (v) weak enforcement of labour laws in the Export Processing Zones (EPZs).”

#### EXPERT-ADVISERS’ OBSERVATIONS/ RECOMMENDATIONS

**2008 AR:** “The ILO Declaration Expert-Advisers (IDEAs) were concerned that the Government of Brazil (and another country) reported that it did not intend to ratify C. 87. They noted that, after an initial stage where the Government had been seeking to amend its Constitution with a view to allowing greater freedom of association, since 2006, the Government indicated that it was not possible to ratify this Convention as it run contrary to the provisions of the Constitution. The IDEAs also noted that the Single Central Organization of Workers (CUT) supported maintaining the single trade union system and therefore did not favor ratification of Convention No. 87. In this regard, the IDEAs expressed concern that insufficient governmental efforts had been made in order to meet the commitment of removing legal obstacles, and urged the Government to proceed in this matter and work jointly with the Office in giving effect to this PR. Finally, the IDEAs noted that restrictions, in Brazil (and other countries), on the rights of certain categories of workers in Brazil (and some other countries), such as workers in the export processing zones, and workers in the public service, were not compatible with the realization of this principle and right (Cf. Paragraphs 27, 28 and 38 of the 2008 Annual Review Introduction – ILO: GB.301/3).”

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_144676.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_144676.pdf)

*Report of the Special Rapporteur on contemporary forms of slavery, including its causes and consequences - Mission to Brazil - 30 August 2010*

	<p>“The Special Rapporteur found that forced labour in the rural areas is most prevalent in the cattle ranching industry, followed by the agricultural industry. The victims are predominantly boys and men aged 15 years and older. The Special Rapporteur commends Brazil for recognizing that forced labour exists in the country, and for the exemplary policies that the Government has put in place to combat contemporary forms of slavery in Brazil. These exemplary actions are, however, threatened by the impunity enjoyed by landowners, local and international companies and intermediaries, such as gatos” (summary, p. 1)</p> <p>“In 2008, ILO estimated that there were up to 40,000 slave labourers in Brazil. [...] The states of Pará (48 per cent), Mato Grosso (15 per cent), Maranhão (8 per cent) and Tocantins (7 per cent) have the greatest demand for slave labour. [...] Reports from the Ministry of Labour indicate that the main activities employing slave labour are cattle ranching (38 per cent), large-scale agriculture production of crops, such as sugar cane (25 per cent), deforestation and forestry (14 per cent) and charcoal (3 percent).” (p. 7)</p> <p>“Increased intimidation and violence against human rights defenders working to stop slave labour has been reported, especially in the states of Pará and Tocantins. (p. 12)</p> <p>The Special Rapporteur visited the Centre for the Defence of Human Rights in Maranhão state, where she met with victims of slave labour, many of whom belonged to quilombos.” (p. 13)</p>		
Committee on the Elimination of Discrimination against Women <a href="http://www.ohchr.org/en/hrbodies/cedaw/pages/cedawindex.aspx">http://www.ohchr.org/en/hrbodies/cedaw/pages/cedawindex.aspx</a>	<p>CEDAW/C/BRA/CO/7 Concluding observations of the Committee on the Elimination of Discrimination against Women - 23 March 2012</p> <p>“The Committee notes the establishment, in 2008, of the Commission for Equal Opportunities on the basis of Gender, Race, and Ethnic origin and for Persons with Disabilities and to Combat Discrimination by the Ministry of Labour and Employment. However, it notes with concern that despite the increased participation of women in the labour market, the achievement of equality between men and women in the field of employment remains a challenge in the State party. It is concerned that the wage gap between men and women fluctuates between 17% and 40% depending on the race, ethnicity and education of women. It is also concerned that stereotypes related to gender and race contribute to the segregation of Afro-descendent and indigenous women into lower quality jobs. It is further concerned at the lack of information regarding measures to protect women from sexual harassment in the workplace as well as about the persistence of the exploitation of women and children as domestic workers.” (p.7)</p>	Country	<p>Specified risk for gender and racial discrimination</p> <p>Lack of information on sexual harassment of women</p>
<p>ILO Core Conventions Database <a href="http://www.ilo.org/ilolex/english/docs/declworld.htm">http://www.ilo.org/ilolex/english/docs/declworld.htm</a> <i>ILO Fundamental Principles and Rights at work:</i></p> <ul style="list-style-type: none"> <li>- C-29 Forced Labour Convention, 1930</li> <li>- C-87 Freedom of Association and Protection of the Right to Organize Convention, 1949</li> <li>- C-98 Right to Organize and Collective Bargaining Convention, 1949</li> <li>- C-100 Equal Remuneration Convention, 1951</li> <li>- C-105 Abolition of Forced Labour Convention, 1957</li> </ul>	<p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3149568">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3149568</a></p> <p>“The Committee notes the statistical information, disaggregated by race, color (white, black and mixed race) and sex provided by the Government. The figures show that in 2011 the employment rate of mixed-race workers increased by 9.3 per cent compared to 2010, while that of white workers increased by 3.38 per cent and that of black workers by 4.53 per cent. The employment rate of indigenous workers decreased by 2.54 per cent. The Committee also notes that the participation rate of black workers in the labour market decreased slightly from 5.5 per cent in 2010 to 5.2 per cent in 2011, while that of mixed-race workers increased from 28.98 per cent to 29.85 per cent in the same</p>	Country	Specified risk on racial and gender discrimination

<p>- C-111 Discrimination (Employment and Occupation) Convention, 1958  - C-138 Minimum Age Convention, 1973  - C-182 Worst Forms of Child Labour Convention, 1999</p>	<p>period. The statistical information submitted under the Equal Remuneration Convention, 1951 (No. 100), further indicates that black, indigenous and mixed-race workers continue to receive lower wages than white workers, with black, indigenous and mixed-race women being the most affected by the wage gap. While noting these statistics and the information previously provided by the Government on measures and activities undertaken in the context of plans and programs at both national and state levels to combat discrimination on the basis of race, color or ethnicity, the Committee once again draws the Government's attention to the fact that such information remains insufficient for it to assess whether real progress has been achieved as a result of the measures adopted. <b>The Committee therefore asks the Government to step up its efforts to combat discrimination on the basis of race, color and ethnicity, and to actively promote equality in employment and occupation.</b>"</p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3149477">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3149477</a></p> <p>"The Committee notes from the Government's report that, although the gender pay gap (average real remuneration) decreased slightly from 17.3 per cent in 2010 to 17.2 per cent in 2011, it has remained virtually unchanged since 2002 (17.66 per cent)."</p> <p>"The Committee also notes that, according to the Government, 51 complaints of sexual harassment were lodged with the Ombudsperson for the Protection of Women's Rights between 2010 and June 2013."</p>		
<p>Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a></p>	<p><a href="http://www.hrw.org/world-report/2014/country-chapters/brazil?page=2">http://www.hrw.org/world-report/2014/country-chapters/brazil?page=2</a>  Labor Rights  "Federal government efforts to eradicate forced labor have resulted in more than 44,000 workers being freed from slave-like conditions since 1995, according to official data. However, the Pastoral Land Commission, a Catholic NGO, received complaints involving approximately 3,000 workers allegedly subject to forced labor in 2012. Criminal accountability for offending employers remains relatively rare. In June 2013, the Constitution and Justice Commission in the Senate approved a constitutional amendment that would permit the government to confiscate properties where forced labor is used without providing compensation to the owners. Final approval will require a full Senate vote. Brazil adopted a constitutional amendment in March 2013 that entitles the country's estimated 6.5 million domestic workers to overtime pay, unemployment insurance, pension, a maximum 8-hour workday, and 44-hour work week."</p>	<p>Country</p>	<p>Specified risk for forced labour</p>
<p><b>Additional general sources</b></p>	<p><b>Additional specific sources</b></p>		
<p>Child Labour Index 2014 produced by Maplecroft.  <a href="http://maplecroft.com/portfolio/new-analysis/2013/10/15/child-labour-risks-increase-china-and-russia-most-progress-shown-south-america-maplecroft-index/">http://maplecroft.com/portfolio/new-analysis/2013/10/15/child-labour-risks-increase-china-and-russia-most-progress-shown-south-america-maplecroft-index/</a></p>	<p>Brazil scores below 2.50 and is therefore categorized as a 'high risk' country for child labor. (Maplecroft's ranking of 197 countries includes 83 countries rated 'extreme risk,').</p>	<p>Country</p>	<p>Specified risk for child labour</p>
<p><a href="http://www.verite.org/Commodities/Timber">http://www.verite.org/Commodities/Timber</a>  (Useful, specific on timber)</p>	<p><a href="http://www.verite.org/Commodities/Timber">http://www.verite.org/Commodities/Timber</a>  "According to the U.S. Department of Labor (2010), timber is produced with forced labor in Brazil. In Brazil valuable hardwoods such as mahogany are most frequently associated with conditions of forced labor, though the clearing of land may involve other</p>	<p>Country</p>	<p>Specified risk for slave labour</p>

	<p>woods as well. In Brazil, forced labor is associated with trafficking to remote logging sites, often for removal of valuable hardwoods prior to the conversion of land for farming or ranching. Anti-Slavery International (2006) reported that logging accounts for 4 percent of all forced labor in Brazil and deforestation accounts for 28 percent. Other figures indicate that forestry accounts for a much smaller percent of forced labor in Brazil but definite figures are difficult because so many other agricultural activities first require that the land be cleared. For Brazil, the International Labor Organization (ILO) confirmed that the areas with a “high incidence of slave labor are the same regions that also have a higher overall incidence of violence as well as a high incidence of deforestation” (ILO in Sakamoto 2009; Sakamoto, Leonardo, “Slave Labor’ in Brazil” in Andrees, Bete and Patrick Belser (eds.) <i>Forced Labor: Coercion and Exportation in the Private Community</i>. International Labor Organization. Geneva, Switzerland, 2009.)</p>		
Greenpeace	<p><a href="http://www.greenpeace.org/international/en/press/releases/Actress-QOrianka-Kilcher-Climbs-Anchor-Chain-of-Giant-Amazon-Cargo-Ship/">http://www.greenpeace.org/international/en/press/releases/Actress-QOrianka-Kilcher-Climbs-Anchor-Chain-of-Giant-Amazon-Cargo-Ship/</a>  “Sao Luis, Brazil, May 21, 2012 - Actress and human rights activist Q'orianka Kilcher has climbed the anchor chain of a cargo ship in Brazil to protest the invasion of indigenous tribal land and illegal logging in the Amazon rainforest. Q'orianka is currently stopping the “Clipper Hope” from entering port and loading 31,000 tons of pig iron, a key ingredient in the steel making process. New Greenpeace research shows how pig iron is helping to destroy the Amazon rainforest and even contributing to slave labor (1) in the region. [...] Uncontacted tribes such as the Awa are also under serious threat from the trade.”</p> <p><a href="http://www.greenpeace.org/international/Global/international/publications/forests/2012/Amazon/423-Driving-Destruction-in-the-Amazon.pdf">http://www.greenpeace.org/international/Global/international/publications/forests/2012/Amazon/423-Driving-Destruction-in-the-Amazon.pdf</a> Driving Destruction in the Amazon Updated Edition February 2013  “Few places in the Amazon have experienced as much forest destruction as the Carajás region (made up of portions of Pará, Maranhão and Tocantins states). Like other sites of rainforest devastation in Brazil, most of the denuded land is today occupied by soy farms and cattle pastures. What makes this region different, however, is the fact that logging and charcoal production have served as principal drivers of forest loss in the region. Over the years, thousands of remote charcoal camps, spread throughout the region have pillaged huge areas of natural rainforest to smoulder into wood charcoal to fuel the blast furnaces of the region’s production of pig iron, a primary ingredient for steel. [...] The pig iron industry and its charcoal suppliers have brought severe negative impacts to the region. Aside from intense forest destruction, the charcoal industry has a notorious track record for slave labour. Furthermore, the rush to seize the forest for both timber and charcoal has fueled violence and land conflicts.” (p. 3)</p>	Amazon / States of Pará, Maranhão and Tocantins	Specified risk for slave labour
Repórter Brasil: data about slave work in Brazil <a href="http://reporterbrasil.org.br/dados/trabalhoescravo/">http://reporterbrasil.org.br/dados/trabalhoescravo/</a>	<p>Evidences proved the occurrence of slave labor in 38 mesoregions between 2012 and 2015.</p> <p>There was a total of 113 occurrences of slave labor related to forest activities.</p>	Distrito Federal and states of Paraíba, Rio de Janeiro, Rio	Specified risk for slave labour

		Grande do Norte, São Paulo, Roraima, Acre and Sergipe	
Secretariat of Labor Inspection: Information System about Child Labor <a href="http://sistemasiti.mte.gov.br/Relatorios/GerarRelatorioQualitativo.aspx">http://sistemasiti.mte.gov.br/Relatorios/GerarRelatorioQualitativo.aspx</a>	Evidences proved the occurrence of child labor in 19 mesoregions, in the states of Ceará, Goiás, Maranhão, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Pará, Piauí, Rio Grande do Sul, Santa Catarina, São Paulo, Tocantins, Paraná and Rondônia, between 2012 and 2016.  There was a total of 35 cases of child labor related to the forest activity, 19 related to native forest and 38 related to plantations, according to the classification of the cases by area of activity (forest resources management for plantations and native forests).	States of Ceará, Goiás, Maranhão, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Pará, Piauí, Rio Grande do Sul, Santa Catarina, São Paulo, Tocantins, Paraná and Rondônia	Specified risk for child labour
Secretariat of Labor Inspection: Statics and information Dashboard of Labor Inspection in Brazil <a href="https://sit.trabalho.gov.br/radar/">https://sit.trabalho.gov.br/radar/</a>	The data from the Secretariat of Labor Inspection shows there has been 34,103 notices related to labor rights in the activities "Agriculture, Livestock, Forest Production, Fishing and Aquiculture" in the last three years. Those notices are distributed throughout all Brazilian states. Of all those notices: <ul style="list-style-type: none"> <li>• 16,224 are related to labor health and safety requirements.</li> <li>• 3,298 are related to employee's registry;</li> <li>• 33 are related to minimal income;</li> <li>• 552 are related to work hours;</li> <li>• 364 are related to vacation;</li> <li>• 1,019 are related to remuneration;</li> <li>• 24 are related to women's work.</li> </ul>	Country	Specified risk
Labor guide <a href="http://www.guiatrabalhista.com.br/guia/discriminacao.htm">http://www.guiatrabalhista.com.br/guia/discriminacao.htm</a>	<b>Discrimination at work:</b> <a href="http://www.planalto.gov.br/ccivil_03/constituicao/constituicao.htm">http://www.planalto.gov.br/ccivil_03/constituicao/constituicao.htm</a> "Article 7, section XXX of the Federal Constitution prohibits the difference in salaries, the exercise of functions and the criterion of admission due to sex, age, color or marital status. In this constitutional paragraph, the principle of equality applies, which must be observed, whether in labor relations or pre-contractual periods. "  <b>Discrimination by sex:</b> <a href="http://www.planalto.gov.br/ccivil_03/decreto-lei/De15452.htm">http://www.planalto.gov.br/ccivil_03/decreto-lei/De15452.htm</a> "The CLT in its articles 5 and 461 brought the prohibition of sex discrimination:	Country	Specified risk

Art 5º - To all work of equal value will correspond equal salary, without distinction of sex.  
Article 461 - The same function shall be equal to all work of equal value, rendered to the same employer, in the same locality, equal wages, without distinction of sex, nationality or age. "

**Woman's work:**

[http://www.planalto.gov.br/ccivil\\_03/LEIS/L9029.HTM](http://www.planalto.gov.br/ccivil_03/LEIS/L9029.HTM)

"With regard to women's work, Law 9.029 / 95 provided for the following discriminatory practices as a crime:

Article 2 The following discriminatory practices constitute a crime:

I - the requirement of test, examination, skill, award, certificate, declaration or any other procedure related to the sterilization or the state of pregnancy;

II - the adoption of any measures, at the initiative of the employer, that constitute;

a) induction or instigation of genetic sterilization;

b) promotion of birth control, thus not considering the offer of services and counseling or family planning, carried out through public or private institutions, subject to the norms of the Unified Health System (SUS). "

**RACE OR COLOR DISCRIMINATION**

[http://www.planalto.gov.br/ccivil\\_03/constituicao/constituicao.htm](http://www.planalto.gov.br/ccivil_03/constituicao/constituicao.htm)

"The Federal Constitution in its article 5, items XLI and XLII, provide:

"XLI - the law shall punish any discrimination against fundamental rights and freedoms;

XLII - the practice of racism constitutes an unapproachable and imprescriptible crime, subject to imprisonment, under the terms of the Law. "

Article 7, paragraph XXX of the Federal Constitution guarantees to workers in general the prohibition of discriminatory act by reason of color. "

**DISCRIMINATION BY CIVIL STATE**

[http://www.planalto.gov.br/ccivil\\_03/constituicao/constituicao.htm](http://www.planalto.gov.br/ccivil_03/constituicao/constituicao.htm)

"Article 7, paragraph III of the Federal Constitution / 88 establishes that discrimination by civil status is a violation of the constitutional precept, with women being one of the main victims of this prejudice, since she, when married, has greater possibilities for motherhood. "

**WORKER WITH PHYSICAL DEFICIENCY**

[http://www.planalto.gov.br/ccivil\\_03/constituicao/constituicao.htm](http://www.planalto.gov.br/ccivil_03/constituicao/constituicao.htm)

"Article 7, item XXXI of the Federal Constitution has introduced a prohibition of any discriminatory act regarding the salary and admission criteria of the disabled worker."

**EMPLOYER RESPONSIBILITY**

"As discriminatory acts can cause moral damages, in order to make the employer responsible civilly, the person may file an action before the Common Court with a view to reparation of the damage. "

Other legal considerations	<p><b>Constitution of the Federative Republic of Brazil 1988</b>  "Art. 3º The fundamental objectives of the Federative Republic of Brazil are:  I - build a free, fair and supportive society;  II - ensure national development;  III - eradicate poverty and marginalization and reduce social and regional inequalities;  IV - promote the good of all, without prejudice of origin, race, sex, color, age and any other forms of discrimination. "</p> <p><b>Decree-Law No. 2,848 / 140 - Criminal Code</b>  "Art. 203 - To frustrate, through fraud or violence, the right guaranteed by labor legislation:  Penalty - detention from one year to two years, and fine, in addition to the penalty corresponding to the violence.  [...]  Paragraph 2. The penalty shall be increased from one sixth to one third if the victim is under eighteen years of age, pregnant, indigenous, or suffering from a physical or mental disability. "</p>	Country	Specified risk
<p><b>Conclusion on Indicator 2.2:</b></p> <ul style="list-style-type: none"> <li>• Not all social rights are covered by the relevant legislation and enforced in Brazil. In particular legislation to protect Freedom of Association and the Right to Organize is lacking (see category 1 for detailed information)</li> <li>• Rights like freedom of association and collective bargaining are not upheld.</li> <li>• There is evidence confirming compulsory and/or forced labour in some mesoregions of the country. Given the lack of inspections, however, the precautionary approach has been applied for the whole country.</li> <li>• There is evidence confirming discrimination in respect of employment and/or occupation, and/or gender.</li> <li>• There is evidence confirming child labour in some mesoregions of the country. Given the lack of inspections, however, the precautionary approach has been applied for the whole country.</li> <li>• The country is not signatory to ILO Convention No. 87: Freedom of Association and Protection of the Right to Organize.</li> <li>• There is evidence that any groups (including women) do not feel adequately protected related to the rights mentioned above.</li> <li>• Violations of labour rights are not limited to specific sectors.</li> </ul> <p><b>The following specified risk thresholds apply, based on the evidence:</b>  (14) The applicable legislation for the area under assessment contradicts indicator requirement(s); AND  (15) There is substantial evidence of widespread violation of key provisions of the ILO Fundamental Principles and Rights at work.</p>		Country	Specified risk
<p><b>Indicator 2.3. The rights of Indigenous and Traditional Peoples are upheld.</b></p> <p><b>Guidance:</b></p> <ul style="list-style-type: none"> <li>• Are there Indigenous Peoples (IP), and/or Traditional Peoples (TP) present in the area under assessment?</li> <li>• Are the regulations included in the ILO Convention 169 and is UNDRIP enforced in the area concerned? (refer to category 1)</li> <li>• Is there evidence of violations of legal and customary rights of IP/TP?</li> <li>• Are there any conflicts of substantial magnitude pertaining to the rights of Indigenous and/or Traditional Peoples and/or local communities with traditional rights?</li> </ul>			

- Are there any recognized laws and/or regulations and/or processes in place to resolve conflicts of substantial magnitude pertaining to TP or IP rights and/or communities with traditional rights?
- What evidence can demonstrate the enforcement of the laws and regulations identified above? (refer to category 1)
- Is the conflict resolution broadly accepted by affected stakeholders as being fair and equitable?

General sources from FSC-PRO-60-002a V1-0 EN				Information found and specific sources	Scale of risk assessment	Risk indication
ILO	Core	Conventions	Database	<a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3142197">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3142197</a> “[...] The Government stresses that it has always sought to provide the material conditions necessary for dialogue with the indigenous peoples and is aware that there are still major challenges with regard to the full application of the rights and guarantees of the Convention, particularly regarding access to land and the regularization of land titles in traditional territories. The GTI intends to prepare the text of a future decree regulating prior consultation. [...]”  “Legislation relating to public forests. In its 2012 observation, the Committee asked the Government to indicate the manner in which Decree No. 7747 of 5 June 2012, which established a National Policy for the Environmental and Territorial Management of Indigenous Lands (PNGATI), had enabled the issue to be resolved which had been raised in the report of the Governing Body (GB.304/14/7, March 2009) on a representation submitted in October 2005 by the Union of Engineers of the Federal District (SENGE/DF). The Government reiterates in its report received in September 2013 that no forestry operations which affect indigenous lands can be authorized under Act No. 11284/2006 on the administration of public forests. The PNGATI has reinforced the guarantee of indigenous peoples’ right to consultation, as required by the Convention (section 3(XI) of Decree No. 7747). The Government also refers to article 231 of the National Constitution, which recognizes indigenous peoples’ “original rights with regard to the lands that they traditionally occupy”, with the result that logging activities cannot be undertaken on indigenous lands. The PNGATI also includes a commitment to territorial and environmental protection and to improving the quality of life in areas reserved for indigenous peoples and on indigenous lands (section 3(VI) of Decree No. 7747). According to 2012 data from the National Foundation for Indigenous Affairs (FUNAI), an area more than 109 million hectares (some 12.9 per cent of the national territory) corresponds to indigenous lands which have already been identified (104,117,642 hectares have been regularized and for the remainder the regularization process is under way). The Government also indicates that FUNAI is closely involved in combating illegal logging on indigenous lands, undertaking monitoring activities and capacity building. In May 2013, the Federal Police conducted an operation on the Alto Rio Guamá indigenous land (State of Pará) against fraudulent activity in the logging industry. In August 2013, on the Sararé indigenous land (State of Mato Grosso), a fine of US\$10 million was imposed for material damage resulting from the illegal clearance of more than 5,600 hectares of vegetation. <b><i>The Committee invites the Government</i></b>	Country	Specified risk on IPs and TPs

	<p><i>to provide in its next report information on the measures taken pursuant to Decree No. 7747 of 5 June 2012 in relation to logging activities. Please continue to provide information in future reports enabling the Committee to evaluate the extent to which the indigenous peoples affected by forestry operations have been consulted and have been able to participate in the benefits of logging activities, in accordance with Articles 6, 7 and 15 of the Convention.”</i></p> <p>“In a direct request, the Committee is examining the effect of the establishment of a space agency centre on the Quilombola communities, the construction of the Belo Monte hydroelectric power plant, and the situation of the CintaLarga people and Guarani communities.”</p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3142193">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3142193</a></p> <p>“Demarcation and titling of lands in favour of the Quilombolacomunities. The Government indicates that 2,187 communities have been certified by the Palmares Cultural Foundation and 100 certificates have been issued in 2013. Certification is the first step towards guaranteeing the right to land. The land titles issued cover a total of 995,000 hectares.”</p>		
<p>Data provided by National Indigenous Peoples’, Traditional Peoples organizations;</p>	<p><b>- Association of Indigenous Peoples of Brazil (APIB)</b> <a href="http://blogapib.blogspot.nl/">http://blogapib.blogspot.nl/</a>  Letter of APIB to the Office of the UN High Commissioner for Human Rights, Geneva, 13 November 2012. Subject: Situation of indigenous rights in Brazil:  “According to the 2010 Demographic Census , conducted by the Brazilian Institute of Geography and Statistics ( IBGE ) , there is a total population of 817 963 indigenous throughout Brazil [...] it is noteworthy that the natives in Brazil represent only 0.04 % of total population. Most of the indigenous population that suffers and lives in extreme poverty are located exactly in the North ( Amazon ) and Midwest , and many cases occur on land that has been demarcated showing that it is not enough just to demarcate indigenous lands without providing decent work of sustainable land use. If the conditions of poverty are visible in regions demarcated land , so imagine in other regions such as the south and northeast of the country , where many indigenous lands are not demarcated and continue to be invaded by farmers. Most indigenous peoples of Brazil is subject to vulnerabilities due to be suffering pressure on their lands , territories and natural resources because of the construction of large economic development projects of the government , such as roads , small and large hydro , transposition of the watercourse the São Francisco River , transmission networks of electricity, the intrusion of mining and logging, agricultural expansion , the monoculture , conflicts with landlords and landowners.  The people Kaiowá is located in the state of Mato Grosso do Sul, are subjected to conditions of open discrimination and ethnocide . They live in extremely small areas these lands are being invaded by ranchers and gunmen , farmers and producers of crops like soybeans , sugar cane and eucalyptus.  Regarding infrastructure development projects of the Brazilian government, at least 434 of these should affect indigenous territories , we highlight two megaprojects :the Belo</p>	<p>Country</p>	<p>Specified risk for IPs and TPs</p>

	<p>Monte Dam in the Pará state in the Amazon region and transposition of the waters of the São Francisco River in the states of Pernambuco, Paraíba, Ceará and Rio Grande do Norte in the northeast of the country.</p> <p><b>Indigenous rights</b></p> <p>In respect of indigenous rights are more than 20 years expect the Brazilian Congress approves new Statute of Indigenous Peoples which is being processed under nº. PL 760/2011 proposing regulatory Articles 231 and 232 of the Federal Constitution of Brazil concerning the rights indigenous. Also await the approval of the draft law No. PL 3571/2008 to create the National Council of Indigenous Policy (NCIP), which currently in the House of Representatives. These legislative elections do not advance in Congress due to lack of commitment of the current government does not actually want to pass laws that guarantee our rights because the interest of exploring our traditional territory through the designs of the Growth Acceleration Plan (PAC).</p> <p><b>Legislative elections anti indigenous</b></p> <p>PEC 215/2000. In contrast to the protection of indigenous rights expected direction, was approved on March 21 this year, the Committee on Constitution and Justice (CCJ) of the Chamber of Deputies, the admissibility of the Proposed Amendment to the Constitution (PEC) 215 / 00. The SGP aims to transfer to the National Congress the authority to approve the demarcation of indigenous lands, creation of conservation units and titling of lands Maroons, which is the responsibility of the executive branch, through FUNAI, IBAMA and Foundation cultural Palmares (FCP), respectively. The approval of PEC 215 - as well as PEC 038 / 99, pending in the Senate, endangering indigenous lands already demarcated and prevents any possible future demarcation. The risk is great since the Congress is composed mostly of representatives of powerful economic sectors sponsors the ongoing development model.</p> <p>Mining Project PL 1610/1996. The bench mining, comprising parliamentarians allied with the government, aims to also approve the bill (PL) 1610/96 which deals with mining on indigenous lands. The rapporteur's text, completely ignores safeguards for protecting the territorial, social, cultural and spiritual integrity of indigenous peoples, reduces bureaucracy authorization search and mineral mining on indigenous lands, with abundant facilities and conditions that allow easy and swelled corporate profits involved. I.e., the text is only concerned, scandalously, to make available indigenous lands and their potential financial - speculative capital, especially mining. Creates the conditions for uncontrolled race, the big mining for gold in indigenous territories; decrees attack on isolated or little contact indigenous peoples, to submit their fate to the principles of national security; relativize or out ridiculously participation of Federal prosecutors in their role of protecting indigenous rights; buries the autonomy of indigenous peoples, to submit to its decision not want mining to determination of a deliberative government</p>		
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commission that will tell which is the best proposal for the communities, thereby raising the guardianship, paternalistic and authoritarian indigenization. Anyway, minimizes the scope of the right of access established by Constitution and ILO Convention 169;

Indigenous peoples and organizations are opposed to this project, the damage it can cause, and claim that the subject of mining is treated in the text of the Statute of Indigenous Peoples, and with consensus widely discussed by the indigenous movement with the Federal Government in 2008 and 2009.

**Administrative and legal measures contrary to indigenous rights**

The Federal Government has posted the past two years a number of Decrees and Ordinances that aims to derail the demarcation of lands claimed by indigenous peoples and the opening of the territory and its natural resources to uncontrolled exploitation by domestic enterprises and speculative financial capital transnational. Between these measures include the following:

Ordinance 2498/2011 which aims at the participation of federal entities (states and municipalities) in the identification and demarcation of indigenous lands process, to edit this measure, the government ignored the Decree 1775/96 establishing procedures for demarcation of indigenous lands and already guarantees the right of the alleged contradictory to the creation of this Ordinance.

Ordinance 419/2011, which regulates the activity of indigenous agency, the National Indian Foundation (FUNAI) in whimsy term, the environmental licensing processes, to facilitate the implementation of projects of the Growth Acceleration Program - PAC (hydroelectric, mining, ports, waterways, roads, transmission lines, etc.) in indigenous territories.

Ordinance 303/2012, which proposes to "regulate" the activities of the legal organs of the Federal Public Administration direct and indirect institutional safeguards in relation to indigenous lands. Given the desire of landowners and agribusiness, Ordinance seeks to extend to all indigenous lands the conditions decided by the Federal Supreme Court (STF) in lawsuit against Raposa Serra do Sol (Petition 3.888-Roraima/STF). The Government issued Decree even though the Supreme Court decision on the declaratory embargos of the Raposa Serra do Sol has not yet become final, and these constraints may change or even be removed by the Supreme Court. The Ordinance states that indigenous lands may be occupied by units, posts and other military interventions, road networks, hydropower projects of strategic nature and minerals without consulting the indigenous peoples and communities and FUNAI; determines the revision of demarcations ongoing or that are not marked in accordance with what the Supreme Court decided in the case of the Raposa Serra do Sol; attacks the autonomy of indigenous peoples over their territories; limits and relativize the right of indigenous

	<p>peoples on the exclusive use of existing natural resources on indigenous lands secured by the Federal Constitution; transfers to the Chico Mendes Institute for Biodiversity Conservation (ICMBIO) control of indigenous lands, on which were superimposed unduly and illegally Conservation Units (CUs) and creates problems for the revision of boundaries demarcated indigenous lands, which do not fully observed indigenous law on the traditional occupation.”</p> <p><a href="http://mobilizaconacionalindigena.wordpress.com/category/cartas-e-declaracoes/">http://mobilizaconacionalindigena.wordpress.com/category/cartas-e-declaracoes/</a></p> <p>DECLARATION OF NATIONAL DEFENSE MOBILIZATION IN THE FEDERAL CONSTITUTION OF TERRITORIAL INDIGENOUS RIGHTS, QUILOMBOLAS, OTHER POPULATIONS AND MOTHER NATURE 3 October 2013.</p> <p>“The Rural Caucus, the service of private interests, wants at all costs to suppress our rights, ripping the Citizen Constitution through dozens of bills and amendments to the Constitution , in particular the PEC 215/00, PEC 237/13, PEC 038/99, PL 1610/96 and PLP 227/12 and many other harmful legislative initiatives aimed at legalizing the exploitation and destruction, disguised as progress, of our territories and mother nature at the expense of physical and cultural integrity of the current and future generations of our peoples and cultures.</p> <p>This silent and complicit conduct of agreement and submission to the interests of capital, materialized in the edition of measures that exacerbate the deconstruction of our rights, such as the Ministerial Decree 419/2011, Ordinance 303/2012 of the AGU, Ordinance 2498 and Decree 7957/2013, while it promotes the destruction of our territories through the expansion of agribusiness, hydropower and of so many other great projects in the CAP. To make matters worse, the Dilma government paralyzed, like its predecessor, the demarcation of indigenous lands, the creation of conservation units, titration Quilombo and execution of agrarian reform. All this offensive is intended to frustrate and prevent the recognition and demarcation of indigenous lands usurped remain in the possession of non-Indians; reopen and revise procedures for demarcation of indigenous lands already finalized; invade, explore and commercialize the demarcated land, which are in possession and being preserved by our people. Purposes that increase the intensification of conflicts , the criminalization of our communities and leaders , in short , the legal and social insecurity that perpetuates genocide inaugurated by the settlers against our people 513 years ago.</p> <p>Just checked , by the State, flagrant disrespect for the Constitution and the international treaties signed by Brazil , such as the Convention 169 of the International Labour Organization (ILO) and the Declaration of the United Nations on the Rights of Indigenous Peoples, ignoring the contribution millenary of our people and the strategic importance of our territories to Living Well of humanity and the planet earth.”</p>		
<p>Data provided by Governmental institutions in charge of Indigenous Peoples affairs;</p>	<p>- FUNAI  <a href="http://www.funai.gov.br/index.php/indios-no-brasil/terras-indigenas">http://www.funai.gov.br/index.php/indios-no-brasil/terras-indigenas</a>  List of 728 indigenous territories.</p> <p><a href="http://www.funai.gov.br/index.php/indios-no-brasil/o-brasil-indigena-ibge">http://www.funai.gov.br/index.php/indios-no-brasil/o-brasil-indigena-ibge</a></p>	<p>Country</p>	<p>Specified risk</p>

	<p>“The 2010 Census revealed that of the 896 000 people who reported or considered themselves indigenous, 572,000 or 63.8%, lived in rural areas and 517 thousand, or 57.5%, lived in officially recognized indigenous lands.”</p> <p><a href="http://www.funai.gov.br/arquivos/conteudo/ascom/2013/img/12-Dez/encarte_censo_indigena_02%20B.pdf">http://www.funai.gov.br/arquivos/conteudo/ascom/2013/img/12-Dez/encarte_censo_indigena_02%20B.pdf</a></p> <p>Map with indigenous territories.</p>		
<p>Data provided by National NGOs;</p>	<p><b>- Instituto Socioambiental (ISA)</b></p> <p><a href="http://pib.socioambiental.org/en/c/terras-indigenas/demarcacoes/localizacao-e-extendao-das-tis">http://pib.socioambiental.org/en/c/terras-indigenas/demarcacoes/localizacao-e-extendao-das-tis</a></p> <p>“Brazil has a territorial extension of 851,196,500 hectares, or 8,511,965 square kilometers. There are 693 Indigenous Lands (TIs), with a total extension of 113.185.694 hectares (1.131.857 square kilometers). Thus 13.3 % of the country are reserved for the Indian peoples. The majority of TIs are concentrated in the Amazônia Legal: 414 of them, with an extension of 111.108.392 hectares, or 21.73% of the Amazônia area and 98.47% of all of the country’s TIs. The remaining 1.53% is scattered in the Northeast, Southeast and South regions and in the State of Mato Grosso do Sul.”</p> <p><a href="http://pib.socioambiental.org/en/c/quadro-geral">http://pib.socioambiental.org/en/c/quadro-geral</a></p> <p>Table of the indigenous peoples.</p> <p><a href="http://ti.socioambiental.org/pt-br/#!/pt-br/terras-indigenas">http://ti.socioambiental.org/pt-br/#!/pt-br/terras-indigenas</a></p> <p>Maps of indigenous peoples’ territories in Brazil.</p> <p><b>- Pro-Indian Commission of São Paulo</b></p> <p><a href="http://cpisp.org.br/acoes/upload/arquivos/Terras%20de%20Quilombo%20com%20Açoes%20Judiciais.pdf">http://cpisp.org.br/acoes/upload/arquivos/Terras%20de%20Quilombo%20com%20Ações%20Judiciais.pdf</a></p> <p>Territories of Quilombolas.</p> <p><a href="http://www.cpisp.org.br/terras/html/por_que_as_titulacoes_nao_acontecem.aspx">http://www.cpisp.org.br/terras/html/por_que_as_titulacoes_nao_acontecem.aspx</a></p> <p>“Currently, only 196 maroon [Quilombolas] communities have title to their territory. This number represents 6 % of the estimated social movement (3,000 communities) all indicating that government action is still far short of the need to ensure the right to land due to the Brazilian Constitution and the Convention 169 of the International Labour Organization” (Google translation)</p> <p><b>- CIMI (Conselho Indigenista Missionário)</b></p> <p><a href="http://www.cimi.org.br/pub/relatorio2015/relatoriodados2015.pdf">http://www.cimi.org.br/pub/relatorio2015/relatoriodados2015.pdf</a></p> <p>There are indigenous peoples without contact, living in lands with administrative pending in the states of Acre, Amazonas, Mato Grosso. In the state of Pará, Rondônia and Roraima, many of the areas are without any provision taken by the public power and are units of the federation where the Brazilian State has built large enterprises or intends to build them, such as hydroelectric and highways. As there was no effective and</p>	<p>Country</p>	<p>Specified risk for IP and TP rights</p>

considerable process of demarcation of lands, due to the political alliances of the Dilma Rousseff government, the conflicts continued to occur in 2015. The Tupinambá in Bahia, the Gamela in Maranhão, the Guarani in Santa Catarina, among other peoples, suffered attacks violence as a form of pressure to move away from the lands to which they have rights.

In the state of Alagoas (1), Amazonas (6), Espírito Santo (1), Maranhão (18), Mato Grosso (1), and Mato Grosso do Sul (1) were recorded in 55 cases of possessory invasions, illegal exploitation of natural resources, (2), Pará (12), Rondônia (5), Roraima (3), Santa Catarina (2), São Paulo (1) and Tocantins (1). (p.19)

In the chapter Violence against the person, CIMI recorded 54 murders in 2015. Among personal quarrels motivated by alcohol consumption and bodies found dead with gunfire, one of the most worrying situations is the assassinations of leaders engaged in fight for the recovery of traditional territories. Mato Grosso do Sul continued to present a high number of records: 36 murders, according to official data. Among other cases, the assassination of Guarani and Kaiowá Simeão Vilhalva in August of 2015 was noteworthy. The crime occurred after farmers and politicians in the region of Antônio João promoted a public act calling on the population to rebel against the indigenous community of Nhandaru Marangatu, which had carried out some actions to recover parcels of its territory. The decree of homologation of this area was signed more than ten years ago, but it remains under the possession of non-Indians. (p.20)

In 2015, the Indigenous Missionary Council (CIMI) recorded 52 cases with 54 victims of murders in the following states: Acre (1), Amapá (3), Amazonas (5), Bahia (5), Goiás (1), Maranhão, Mato Grosso do Sul (20), Minas Gerais (1), Pará (2), Paraná (5), Pernambuco (1), Rondônia (1), Santa Catarina (1) and Tocantins (5). The data presented here were based on information from the teams that work in Cimi's eleven regional and various media outlets. (page 83)

Cimi recorded in 2015, 31 cases of attempted murder. The occurrences were recorded in the states of Alagoas (1), Amazonas (2), Maranhão (7), Mato Grosso (3), Mato Grosso do Sul (12), Minas Gerais (1), Pará (1), Paraná, Rio Grande do Sul (1) and Santa Catarina (1). (p.92)

There were 12 death threats against indigenous people in the states of Amazonas (2), Ceará (1), Maranhão (6), Mato Grosso do Sul (1), Rondônia (1) and Santa Catarina (1). (page 101)

We recorded 13 cases of racism and ethnic cultural discrimination in the year 2015. The occurrences were in the states of Bahia (2), Federal District (1), Goiás (1), Maranhão (1), Mato Grosso (1), Mato Grosso do South (3), Pará (2), Rio Grande do Sul (1) and Roraima (1). (page 114)

	<p>During the year 2015, 9 cases of sexual violence against indigenous people were recorded in the following states: Amapá (1), Mato Grosso (1), Mato Grosso do Sul (3), Rio Grande do Sul (1), Roraima (2) and São Paulo (1). (page 117)</p> <p><b>- Amazon Watch</b>  <a href="http://amazonwatch.org/news">http://amazonwatch.org/news</a>  (many news articles (on dams mainly) but not really aggregated data per country).</p>		
National land bureau tenure records, maps, titles and registration (by googling)	<p><a href="http://usaidlandtenure.net/brazil">http://usaidlandtenure.net/brazil</a></p> <p>"In Brazil, inequality of land distribution, inadequate access to land by the poor, and insecure tenure are contributing factors to land degradation, destruction of forests, rural poverty, violence, human rights abuses, exploitation of rural workers, and migration to crime-ridden slums and shantytowns in urban areas. In spite of numerous programs to facilitate access to land, issues remain, particularly for landless peasants.  [...] Brazil hosts extensive forests, grasslands, and wetland ecosystems. Despite legal provisions to provide protection to an estimated 3.7 million square kilometers of public and private lands, there are significant human and development pressures on all of these areas. Governance responsibilities are spread throughout Brazil's legal framework for the environment and forest areas, resulting in disputes between various state- and federal-level institutions."</p> <p>CONFLITOS NO CAMPO BRASIL 2016 (Conflicts in the countryside; [Only enroll conflicts involving workers; land conflicts, often severe, between landowners or other agents are not registered].</p> <p><a href="https://www.cptnacional.org.br/component/jdownloads/send/41-conflitos-no-campo-brasil-publicacao/14061-conflitos-no-campo-brasil-2016">https://www.cptnacional.org.br/component/jdownloads/send/41-conflitos-no-campo-brasil-publicacao/14061-conflitos-no-campo-brasil-2016</a></p> <p>"For example, the 10-year killings, 2007-2016, went from 28 in 2007 to 61 in 2016. Something similar occurred when we looked at all conflicts over land: there was a rise from 1,027 in 2007 to 1,295 in 2016 The number of people involved increased from 612,000 in 2007 to 686,735 in 2016. The highest number in 2016 cannot be attributed to the actions of the popular movements in the countryside. In 2007, occupations were 364 and camps 48, 2016 are respectively 194 and 22. What has happened, the data show, is an astonishing and disturbing increase in land conflict where there is some kind of violence against occupation and possession (eviction, eviction, destruction of (assassinations, assassination attempts, death threats and others) that have grown steadily over the last ten years, have risen from 615 in 2007 to 1,079 in 2016."</p> <p>Table 1: Comparison of Conflicts in the field (2007- 2016) (p.24)</p>	Country	Specified risk for IP and TP rights

<p>Survival International: <a href="http://www.survivalinternational.org/">http://www.survivalinternational.org/</a></p>	<p><a href="http://www.survivalinternational.org/tribes/brazilian">http://www.survivalinternational.org/tribes/brazilian</a></p> <p>“There are about 240 tribes living in Brazil today, totaling around 900,000 people, or 0.4% of Brazil’s population. The government has recognized 690 territories for its indigenous population, covering about 13% of Brazil’s land mass. Nearly all of this reserved land (98.5%) lies in the Amazon. But although roughly half of all Brazilian Indians live outside the Amazon, these tribes only occupy 1.5% of the total land reserved for Indians in the country.</p> <p>Brazil is home to more uncontacted peoples than anywhere on the planet. It is now thought that approximately 80 such groups live in the Amazon. Some number several hundred and live in remote border areas in Acre state and in protected territories such as the Vale do Javari, on the border with Peru. Others are scattered fragments, the survivors of tribes virtually wiped out by the impacts of the rubber boom and expanding agriculture in the last century. Many, such as the nomadic Kawahiva, who number a few dozen, are fleeing loggers and ranchers invading their land.</p> <p>In some states such as Maranhão, the last remaining tracts of forest are found only in indigenous territories (the Awá are a good example of this), and these are under huge pressure from outsiders.”</p> <p><a href="http://www.survivalinternational.org/news/10026">http://www.survivalinternational.org/news/10026</a></p> <p>“A global campaign by Survival International, fronted by Colin Firth, to save the Awá, Earth’s most threatened tribe, has triumphed this week, as loggers and ranchers responsible for the destruction of the tribe’s rainforest in the Brazilian Amazon are being expelled. The first deadlines for the invaders to leave voluntarily expired on Monday, February 24, 2014. According to reports by FUNAI, Brazil’s indigenous affairs department, several loggers and ranchers have left the area in the last week, and a ground squad is set to remove all remaining invaders by March 9. <a href="#">Watch a video by FUNAI</a> showing the first stage of ‘Operation Awá’. Pire’iMa’a, an Awá man says, ‘Everything [all the game] has been scared away ... There are loggers everywhere. They’re cutting down the trees and we can’t hunt ... We’ve been telling people that the loggers are here, and their chainsaws, machinery and trucks are screaming.’”</p> <p><a href="http://www.survivalinternational.org/news/9172">http://www.survivalinternational.org/news/9172</a></p> <p>“As Brazil marks its annual ‘Day of the Indian’ today, hundreds of Brazilian Indians of various tribes invaded and occupied part of the country’s Congress this week, to protest at attempts to change the law regarding their land rights.</p> <p>The Indians are outraged about a proposed constitutional amendment that would weaken their hold on their territories. They fear that ‘PEC 215’, by giving Congress power in the demarcation process, will cause further delays and obstacles to the recognition and protection of their ancestral land.</p> <p>The Indians say they will not stop protesting until the planned amendment is scrapped. Alongside Directive 303, amendment 215 is a result of pressure by Brazil’s powerful rural lobby group which includes many politicians who own ranches on indigenous land.</p>	<p>Country</p>	<p>Specified risk for IP and TP rights</p>
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	<p>It could spell disaster for thousands of indigenous peoples who are waiting for the government to fulfil its legal duty to map out their lands.”</p> <p><a href="http://www.survivalinternational.org/news/8325">http://www.survivalinternational.org/news/8325</a></p> <p>“The PataxóHã-Hã-Hãe Indians of Brazil are celebrating a Supreme Court decision to allow them to live undisturbed on their land.</p> <p>The Pataxó, of Bahia state, have been subjected to violent conflict for decades as ranchers have been occupying their indigenous territory.</p> <p>They have been pushing to be able to live undisturbed on their ancestral land, a right guaranteed to them by Brazil’s constitution and by international law.</p> <p>After a long judicial battle, Brazil’s Supreme Court ruled this month that the ranchers must leave the area.”</p>		
<p><u>Unspecified sources / Googling:</u></p> <ul style="list-style-type: none"> <li>-Relevant census data - Evidence of participation in decision making;</li> <li>-Evidence of IPs refusing to participate (e.g. on the basis of an unfair process, etc.);</li> <li>-National/regional records of claims on lands, negotiations in progress or concluded etc.</li> <li>-Cases of IP and TP conflicts (historic or ongoing)</li> <li>-Social Responsibility Contracts (Cahier des Charges) established according to FPIC (Free Prior Informed Consent) principles where available</li> <li>-Data about land use conflicts, and disputes (historical/outstanding grievances and legal disputes);</li> </ul>	<ul style="list-style-type: none"> <li>- Relevant census data (already found in several sources)</li> <li>- Evidence of participation in decision making; See info on implementing ILO 169 and protests against new laws)</li> <li>- Evidence of IPs refusing to participate (e.g. on the basis of an unfair process, etc); (See info on implementing ILO 169 and protests against new laws)</li> <li>- National/regional records of claims on lands, negotiations in progress or concluded etc. (info on demarcation processes found)</li> <li>- Cases of IP and TP conflicts (historic or ongoing); (several examples found)</li> <li>- Social Responsibility Contracts (<i>Cahier des Charges</i>) established according to FPIC (Free Prior Informed Consent) principles where available (not applied in Brazil. See also info on implementing ILO 169)</li> <li>- Data about land use conflicts, and disputes (historical/outstanding grievances and legal disputes); (several examples found)</li> </ul>	Country	Specified risk for IP and TP rights
<p>Regional human rights courts and commissions:</p> <ul style="list-style-type: none"> <li>- Inter-American Court of Human Rights <a href="http://www.corteidh.or.cr/index.php/en">http://www.corteidh.or.cr/index.php/en</a></li> <li>- Inter-American Commission on Human Rights <a href="http://www.oas.org/en/iachr/">http://www.oas.org/en/iachr/</a></li> </ul> <p>[added by the Consultant, potentially relevant for other countries:]</p> <ul style="list-style-type: none"> <li>- African Commission on Human and Peoples' Rights</li> <li>- African Court on Human and Peoples' Rights</li> <li>- European Court of Human Rights</li> </ul>	<p><b>Inter-American Court of Human Rights</b> <a href="http://www.corteidh.or.cr/index.php/en/decisions-and-judgments">http://www.corteidh.or.cr/index.php/en/decisions-and-judgments</a></p> <p>Last court decision on Brazil in 2010.CASE OF GOMES LUND ET AL. (“GUERRILHA DO ARAGUAIA”) V. BRAZIL on disappeared persons in the context of the <i>Guerrilha do Araguaia</i> as a result of the operations of the Brazilian Army between 1972 and 1975.</p> <p><b>Inter-American Commission on Human Rights</b> relevant cases on Brazil: <a href="http://www.cidh.oas.org/annualrep/2010eng/BRAD250-04EN.DOC-01/23/2012">http://www.cidh.oas.org/annualrep/2010eng/BRAD250-04EN.DOC-01/23/2012</a> REPORT No. 125/10PETITION 250-04ADMISSIBILITYRAPOSA SERRA DO SOL INDIGENOUS PEOPLES BRAZILOctober 23, 2010</p> <p><a href="http://www.cidh.oas.org/annualrep/2009eng/Brazil4355.02eng.htm">http://www.cidh.oas.org/annualrep/2009eng/Brazil4355.02eng.htm</a> REPORT No. 98/09 PETITION 4355-02 ADMISSIBILITY XUCURU INDIGENOUS PEOPLE BRAZIL October 29, 2009</p> <p><a href="http://www.cidh.oas.org/annualrep/2006eng/BRAZIL.62.02eng.htm">http://www.cidh.oas.org/annualrep/2006eng/BRAZIL.62.02eng.htm</a></p>	Country	Specified risk for IP and TP rights

	<p>REPORT Nº 80/06 PETITION 62-02 ADMISSIBILITY MEMBERS OF THE INDIGENOUS COMMUNITY OF ANANAS <i>ET AL.</i> BRAZIL October 21, 2006</p> <p><a href="http://www.oea.org/en/iachr/indigenous/reports/country.asp">http://www.oea.org/en/iachr/indigenous/reports/country.asp</a> Last country report on Brazil in 1997.</p> <p><a href="http://www.economist.com/node/21559653">http://www.economist.com/node/21559653</a> "In 2011 the Inter-American Commission on Human Rights, which litigates cases at the court, asked Brazil to halt work on the huge Belo Monte dam because its neighbors were not given a sufficient chance to speak up. Brazil's government, which had authorized the dam only after a long public debate, saw this as a violation of its sovereignty. It did not comply and stopped contributing money to the commission. The commission was weakened by angering the region's biggest country and by the criticism that it had exceeded its mandate. After Brazil presented new evidence in the case, the commission reversed its stance on Belo Monte. Moreover, last month the Organization of American States voted to draft a reform plan for the commission, which some fear could strip it of important powers. Ecuador was among the commission's loudest critics."</p> <p><a href="http://www.forestpeoples.org/topics/legal-human-rights/human-rights-mechanisms/inter-american-human-rights-system">http://www.forestpeoples.org/topics/legal-human-rights/human-rights-mechanisms/inter-american-human-rights-system</a> (7 Dec. 2010) "After years of waiting, during which they suffered from violent attacks and the degradation of their ancestral lands, the Ingaricó, Macuxi, Patamona, Taurepang and Wapichana indigenous peoples of Raposa Serra do Sol received a favorable decision by the Inter-American Commission on Human Rights. During its last session at the end of October, the Commission issued an admissibility decision in their case against the Government of Brazil. In doing so, the Commission signaled not only that the Government's treatment of indigenous peoples in Raposa may constitute a violation of their human rights, but that the Commission is now ready to enter its final stage of review of the case and issue a concluding report."</p> <p><a href="http://www.survivalinternational.org/news/8561">http://www.survivalinternational.org/news/8561</a> (7 august 2012) "Brazil's <u>Guarani Indians</u> have announced that they will take their government to the Inter-American Court of Human Rights, over its failure to protect their land. The Guarani said in a statement that they would present the case 'in light of the delay in mapping out our lands, the violence to which our leaders and communities are exposed, and the genocide resulting from the government's failure to protect us and give us our land back... We will not wait any longer!' "</p>		
Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a>	<p><a href="https://www.hrw.org/pt/world-report/2016/country-chapters/285573">https://www.hrw.org/pt/world-report/2016/country-chapters/285573</a> Violence in the Field Peasants and indigenous leaders involved in land conflicts continue to face threats and violence. According to the most recent figures from the CPT, a Catholic group, 46 people involved in land conflicts were murdered between January and November 2015. Many</p>	Country	Specified risk for IP and TP rights

	<p>of the murdered, according to the commission, were allegedly ordered or executed by large illegal loggers or loggers. In Mato Grosso do Sul, for example, the Guarani-Kaiowá people, struggling to recover their ancestral lands, suffered violent attacks in 2015 by groups linked to farmers, according to the Indigenous Missionary Council of the Catholic Church. A member of the Guarani-Kaiowá people was killed in August following the arrival of a group of farmers to a land under litigation, occupied and claimed by the Guarani-Kaiowá. As of the writing of this report, police had not yet identified any suspects in the murder.</p>		
<p><a href="http://amnesty.org/en/annual-report/2013/">http://amnesty.org/en/annual-report/2013/</a></p>	<p><a href="http://files.amnesty.org/air13/Amnesty/International_AnnualReport2013_complete_en.pdf">http://files.amnesty.org/air13/Amnesty/International_AnnualReport2013_complete_en.pdf</a></p> <p>“Land rights  Hundreds of communities were condemned to live in appalling conditions by the authorities’ failure to fulfil their constitutional rights to land. Land activists and community leaders were threatened, attacked and killed. Indigenous and <i>Quilombola</i> communities were at particular risk, often as a consequence of development projects.  The publication by the Attorney General’s Office of a controversial resolution (<i>Portaria 303</i>) in July prompted protests by Indigenous Peoples and NGOs across Brazil. The resolution would permit the establishment of mining, hydro-electric schemes and military installations on Indigenous lands, without the free, prior and informed consent of affected communities. At the end of the year, the resolution was suspended, pending a Supreme Court decision.  A constitutional amendment was before Congress at the end of the year that would pass responsibility for demarcating Indigenous and <i>Quilombola</i> land from official bodies to the National Congress. There were concerns that, if approved, the amendment would politicize the process and jeopardize constitutional protections. Development projects continued to have a detrimental impact on Indigenous Peoples. Longstanding efforts to identify and demarcate Indigenous lands remained stalled. Despite a series of legal challenges and protests, construction of the Belo Monte dam continued. In August, work was halted following a federal court ruling that Indigenous Peoples had not been adequately consulted, but the ruling was subsequently overturned by the Supreme Court. In Mato Grosso do Sul state, Indigenous Guarani-Kaiowá communities continued to face intimidation, violence and the threat of forced eviction from their traditional lands. In August, after staging a re-occupation of their traditional lands in Mato Grosso do Sul, the Guarani-Kaiowá community of Arroio-Korá was attacked by gunmen who burned crops, shouted abuse and fired shots. According to witnesses, the gunmen abducted Eduardo Pires. His whereabouts remained unknown at the end of the year. In the face of an eviction order, the Pyelito Kue/Mbarakay community in Mato Grosso do Sul issued an Open Letter in October to the Brazilian government and the judiciary in which they complained that they were living under virtual siege, surrounded by gunmen and without adequate access to food and health care. In October, a woman from PyelitoKue/Mbarakay was repeatedly raped by eight gunmen who then interrogated her about the community. The following week, a federal court suspended the eviction order, pending the completion of an anthropological report officially identifying their lands.</p>	<p>Country</p>	<p>Specified risk for IP and TP rights</p>

	<p><i>Quilombola</i> communities fighting for their constitutional rights to land continued to suffer violence and threats of forced eviction at the hands of gunmen hired by landowners. The situation in Maranhão state remained critical, with at least nine communities suffering violent intimidation and scores of community leaders receiving death threats.</p> <p>_ In November, the community of Santa Maria dos Moreiras, in the municipality of Codó, Maranhão state, was invaded by gunmen who fired shots over the settlement. The attack was part of a systematic attempt by local landowners to drive the community off the land, using methods such as the destruction of crops and death threats against community leaders.”</p> <p><a href="http://www.amnesty.org/en/library/asset/AMR19/012/2012/en/245ea4df-5209-41cb-80a2-1fea75da9242/amr190122012en.pdf">http://www.amnesty.org/en/library/asset/AMR19/012/2012/en/245ea4df-5209-41cb-80a2-1fea75da9242/amr190122012en.pdf</a></p> <p>“Láisa Santos Sampaio works as a schoolteacher in the rural community where she lives in Pará state, Brazil. she has received repeated threats after campaigning on environmental issues and against the interests of illegal loggers, charcoal producers and land grabbers. two members of her family were killed in 2011 after campaigning on the same issues and following similar threats.”</p> <p><a href="http://www.amnesty.org/en/library/asset/AMR19/005/2013/en/e6a725c4-cb3a-4f55-9ac2-457aca74deba/amr190052013en.pdf">http://www.amnesty.org/en/library/asset/AMR19/005/2013/en/e6a725c4-cb3a-4f55-9ac2-457aca74deba/amr190052013en.pdf</a></p> <p>RURAL LEADER THREATENED IN LAND CONFLICT</p> <p>“Rural leader Antônio Isídio Pereira da Silva and families from the community of Vergel, in the interior of the north-eastern Brazilian state of Maranhão, have received a series of death threats. Vergel has long been targeted by loggers and land-grabbers who have repeatedly used violence to intimidate them. The rural smallholder community of Vergel, 50km from the town of Codó in the interior of Maranhão state, is coming under sustained pressure from land-grabbers and loggers who want to drive them off their lands.”</p> <p><a href="http://www.amnesty.org/en/library/asset/AMR01/006/2012/en/17203aa8-9881-42b5-8635-8be0150c846a/amr010062012en.pdf">http://www.amnesty.org/en/library/asset/AMR01/006/2012/en/17203aa8-9881-42b5-8635-8be0150c846a/amr010062012en.pdf</a></p> <p>“In October 2011, members of the Federal Programme for the Protection of Human Rights Defenders visited the Salgado community. On 21 December, they told community members that the federal authorities would include them in the programme. To date, no protection measures have been implemented. According to the CPT, Maranhão state has become a focal point for land-related violence, with over 200 instances of land conflict in 2011 and more than 100 community leaders receiving death threats. (p. 32).”</p>		
Additional general sources for 2.3	Additional specific sources	Scale of risk assessment	Risk indication
Greenpeace	<p><a href="http://www.greenpeace.org/international/en/press/releases/Actress-QOrianka-Kilcher-Climbs-Anchor-Chain-of-Giant-Amazon-Cargo-Ship/">http://www.greenpeace.org/international/en/press/releases/Actress-QOrianka-Kilcher-Climbs-Anchor-Chain-of-Giant-Amazon-Cargo-Ship/</a></p> <p>“Sao Luis, Brazil, May 21, 2012 - Actress and human rights activist Q'orianka Kilcher has climbed the anchor chain of a cargo ship in Brazil to protest the invasion of</p>	States of Pará, Maranhão and Tocantins	Specified risk for IP and TP rights

	<p>indigenous tribal land and illegal logging in the Amazon rainforest. Q'orianka is currently stopping the "Clipper Hope" from entering port and loading 31,000 tons of pig iron, a key ingredient in the steel making process. New Greenpeace research shows how pig iron is helping to destroy the Amazon rainforest and even contributing to slave labor in the region. [...] Uncontacted tribes such as the Awa are also under serious threat from the trade."</p> <p><a href="http://www.greenpeace.org/international/Global/international/publications/forests/2012/Amazon/423-Driving-Destruction-in-the-Amazon.pdf">http://www.greenpeace.org/international/Global/international/publications/forests/2012/Amazon/423-Driving-Destruction-in-the-Amazon.pdf</a> Driving Destruction in the Amazon Updated Edition February 2013</p> <p>"Few places in the Amazon have experienced as much forest destruction as the Carajás region (made up of portions of Pará, Maranhão and Tocantins states). Like other sites of rainforest devastation in Brazil, most of the denuded land is today occupied by soy farms and cattle pastures. What makes this region different, however, is the fact that logging and charcoal production have served as principal drivers of forest loss in the region.<sup>2</sup> Over the years, thousands of remote charcoal camps, spread throughout the region have pillaged huge areas of natural rainforest to smoulder into wood charcoal to fuel the blast furnaces of the region's production of pig iron, a primary ingredient for steel. [...] The pig iron industry and its charcoal suppliers have brought severe negative impacts to the region. Aside from intense forest destruction, the charcoal industry has a notorious track record for slave labour. Furthermore, the rush to seize the forest for both timber and charcoal has fueled violence and land conflicts. (p. 3)"</p>		
<p>International Working Group on Indigenous Affairs - The Indigenous World <a href="http://www.iwgia.org/regions">http://www.iwgia.org/regions</a></p>	<p><a href="http://www.iwgia.org/regions/latin-america/brazil">http://www.iwgia.org/regions/latin-america/brazil</a></p> <p>"There are 227 distinct indigenous peoples in Brazil. Half of these comprise less than 500 individuals in all. Only four indigenous peoples have a population of more than 20,000. The indigenous population of Brazil numbers some 734,127 people, or 0.4% of the national population; of these, 383,298 live in <b>urban</b> areas, while it is estimated that there are 46 peoples living in voluntary isolation.</p> <p>Brazil covers an area of 851,195,500 hectares. 654 so-called 'Indigenous Lands', account for 115,499,953 hectares of this; in other words, 13.56% of the national territory is set aside for indigenous peoples.</p> <p>Most of the Indigenous Lands are found in the region of the Amazon: 417 'Indigenous Lands' totaling approximately 113,822,141 hectares. The remaining 1.39% is divided between the north-east, south-east, south and center-west of the country.</p> <p>There are still 323 de facto indigenous lands, which have no legal status.</p> <p>2011 was marked yet again by the federal government's failure to comply with international agreements such as ILO Convention 169, the UN Declaration on the Rights of Indigenous Peoples and even the 1988 Federal Constitution itself. Clear evidence of this can be seen in the implementation of the Growth Acceleration Plan (PAC), which pushes forward with the construction of hydroelectric power stations on Indigenous Lands (TIs)."</p>	<p>Country</p>	<p>Specified risk for IP and TP rights</p>

<p>UN Special Rapporteur on the Rights of Indigenous Peoples  <a href="http://www.ohchr.org/en/issues/ipeoples/srindigenouspeoples/pages/sripeoplesindex.aspx">http://www.ohchr.org/en/issues/ipeoples/srindigenouspeoples/pages/sripeoplesindex.aspx</a></p>	<p><a href="http://www2.ohchr.org/english/bodies/hrcouncil/docs/12session/A.HRC.12.34.Add.2.pdf">http://www2.ohchr.org/english/bodies/hrcouncil/docs/12session/A.HRC.12.34.Add.2.pdf</a></p> <p>“the Special Rapporteur observes that indigenous peoples of Brazil continue to face multiple impediments to the full enjoyment of their human rights. Further efforts are needed to ensure that indigenous peoples are able to fully exercise their right to self-determination within the framework of a Brazilian State that is respectful of diversity, which means exercising control over their lives, communities and lands, and effectively participating in all decisions affecting them in accordance with their own cultural patterns and authority structures. (p.2)</p> <p>Tensions between indigenous peoples and non-indigenous occupants have been especially acute in the State of Mato Grosso do Sul, where indigenous peoples suffer from a severe lack of access to their traditional lands, extreme poverty and related social ills, giving rise to a pattern of violence that is marked by numerous murders of indigenous individuals as well as by criminal prosecution of indigenous individuals for acts of protest. (p. 21)</p> <p>Even when indigenous lands are already demarcated and registered, indigenous peoples’ rights over lands and natural resources are often threatened by non-indigenous occupation and invasion. Illegal occupation and invasion of indigenous lands, for natural resource extraction or other activities, causes a myriad of adverse consequences for the indigenous communities concerned, including in the areas of health and physical security, with violent confrontation in many cases a feature of the non-indigenous presence. (p. 21)”</p>	<p>Country</p>	<p>Specified risk for IP and TP rights</p>
<p>Un Human Rights Council Universal Periodic Review  <a href="http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx">http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx</a></p>	<p><a href="http://www.ohchr.org/Documents/HRBodies/HRCouncil/RegularSession/Session21/A-HRC-21-11_en.pdf">http://www.ohchr.org/Documents/HRBodies/HRCouncil/RegularSession/Session21/A-HRC-21-11_en.pdf</a></p> <p>“Regarding indigenous peoples, Ms. Nunes stated that the Federal Constitution ensures their exclusive rights to their land. She also said that there are currently 660 indigenous lands in Brazil, which corresponds to 13 per cent of the total national territory, or 1.1 million km<sup>2</sup>. In the last five years, 49 new lands have been demarcated. (p. 7 par. 45)”</p> <p><a href="http://www.ohchr.org/EN/HRBodies/UPR/Pages/BRSession13.aspx">http://www.ohchr.org/EN/HRBodies/UPR/Pages/BRSession13.aspx</a>  Source: a summary of 47 stakeholders’ submissions to the universal periodic review of Brazil by UN HRC, UNDoc.nr. A/HRC/WG.6/13/BRA/3</p> <p>“CIVICUS stated that civil society activists working to protect the environment and the rights of indigenous peoples and landless workers had faced enormous risks. Reference was made to cases (20102011) in the States of Para and Rodondia. Joint Submission 18 (JS18) expressed concern about the murder of the Kaiowá-Guarani leader in November 2011 (Mato Grosso do Sul). (p. 7, para 47).</p> <p>CONAQ was concerned by the Quilimbola communities’ situation, particularly in Charco where community members had been exposed to tensions, assassinations, and death threats.</p> <p>Regarding land reforms, CONAQ stated that Quilombolas had continued to live without title to their lands, which contributed to a lack of access to public and social services. Regarding the situation in Mato Grosso do Sul, JS18 stated that the lack of indigenous</p>	<p>Country</p>	<p>Specified risk for IP and TP rights</p>

	land demarcation had generated a dire situation in terms of sustainability and adequate food. It added that internal violence had been increasing in alarming numbers. STP noted that necessary measures to implement protection of indigenous lands had not been undertaken, and demarcation of lands of contacted and uncontacted indigenous peoples and peoples living in voluntary isolation, were being delayed. Joint Submission 25 (JS25) shares the concerns of indigenous organizations about the amendments to the Forestry Code (PLC 30/2011) which the Senate is discussing; these include amnesties for deforestation offences and fines, even in areas under maximum environmental protection. It also expresses concern about the Senate's adoption of Bill No. PLC01/10, which has amended the regulations on environmental authorizations and stripped the Institute for the Environment and Renewable Resources of all political power. (p. 11 para 77)"		
Forest Peoples Programme <a href="http://www.forestpeoples.org/publications">http://www.forestpeoples.org/publications</a>	<a href="http://www.forestpeoples.org/region/brazil/publication/2010/follow-cerd-government-brazil-regarding-situation-indigenous-peoples-">http://www.forestpeoples.org/region/brazil/publication/2010/follow-cerd-government-brazil-regarding-situation-indigenous-peoples-</a> Letter from CERD requesting Brazil's response to previous requests for confirmation that non-indigenous occupants have been removed from the area, that violence against indigenous peoples has been halted, and that indigenous peoples' consent is being obtained prior to the undertaking of construction and national park projects in Raposa Serra do Sol. (3 May 2010) (not much info on Brazil found. Almost all related to Raposa Serra do Sol.)	Country	Specified risk for IP and TP rights
The Society for Threatened Peoples	No relevant additional info found on this website	Country	
Intercontinental Cry - Indigenous struggles yearbooks	<a href="http://intercontinentalcry.org/wp-content/uploads/2013/01/Indigenous-Struggles-2012.pdf">http://intercontinentalcry.org/wp-content/uploads/2013/01/Indigenous-Struggles-2012.pdf</a> <u>Indigenous Struggles 2012</u> January 2012 "Loggers in Brazil reportedly captured an eight-year-old girl, tied her to a tree and burned her alive. The loggers were said to be doing business with the Gwaja's neighbors, the Guajajara, when they encountered the young girl who had wandered away from her village to play. At the time, it was reported, government officials had declined to investigate the barbaric murder."  <a href="http://intercontinentalcry.org/wp-content/uploads/2014/03/IS2013.pdf">http://intercontinentalcry.org/wp-content/uploads/2014/03/IS2013.pdf</a> <u>Indigenous Struggles 2013</u> "January 2013 Without support from the local or federal authorities, the Pukobjê-Gavião Peoples in Maranhão state, Brazil, blocked four trucks and a tractor filled with illegally logged timber, preventing the equipment from leaving their lands. The Federal Police were informed of the confrontation by the Indigenous Missionary Council (CIMI) and the Federal Public Ministry. The police came to investigate; however, they left empty-handed just hours later. A group of 100 people -- made up of loggers, according to media	Country	Specified risk for IP and TP rights

	<p>reports -- barricaded the access road to the territory with burning tires, preventing the police from leaving the indigenous land with the seized machinery.</p> <p>April 2013 In Brazil, approximately 700 indigenous leaders occupied the country's House of Representatives in a concerted effort to stop the nomination process for the Special Committee on <b>PEC 215</b>, a proposal that would transfer from the federal government to the National Congress the authority to approve the demarcation of traditional lands. Despite a heavy-handed response from police officers and security personnel, the Indigenous leaders held their ground until the government representatives took appropriate action.</p> <p>July 2013 The national army of Brazil is positioning itself to protect the vulnerable Indigenous <b>Awa</b> tribe that faces constant threat from illegal logging groups and related practices. Deploying tanks, helicopters, and hundreds of boots on the ground, there are reports that at least eight logging operations have been shut down since June.</p> <p>September 2013 The <b>Articulation of Indigenous Peoples of Brazil (APIB)</b> initiated a week-long national mobilization to protest against the widespread attack on the territorial rights of Indigenous Peoples in Brazil by the government, the agribusiness caucus in Congress and the lobby for mining and energy companies. According to APIB, hundreds of projects are being pushed through Congress to restrict the rights of Indigenous Peoples, quilombolas and other traditional populations.</p> <p>October 2013 Nearly 1,500 Indigenous Peoples from across <b>Brazil</b> occupied a central government road in the federal capital in response to a new legislative assault that threatens to severely undermine or extinguish Indigenous rights in the country. The action -- part of a national mobilization -- was a swift follow-up to an attempt by the diverse group of protesters to enter the National Congress, where they were met with pepper spray. Seeking a more reasoned approach (which may very well turn out to be little more than a distraction), the government opened talks with the representatives."</p>		
<p><b>Conclusion on Indicator 2.3:</b></p> <ul style="list-style-type: none"> <li>• According to Funai (<a href="http://www.funai.gov.br/">http://www.funai.gov.br/</a>), there are Indigenous Peoples (IP), and/or Traditional Peoples (TP) present in 26 of the 27 States of Brazil. Only in the very small State of Distrito Federal there are no IP or TP. There are 240 Indigenous Peoples living in 727 IP Territories covering around 13,5% of the country. 98% of the Indigenous Lands are located in the Amazon region. 271 IP Territories await the beginning or ending of the demarcation procedure. There are about 3,000 Quilombolas communities of which only 241 have title to their territory. The regulations included in the ILO Convention 169 and UNDRIP are not effectively enforced, in particular the rights to prior consultation and consent. (see category 1 for more information)</li> <li>• There is evidence demonstrating the lack of enforcement of the laws and regulations identified above (see category 1 for more information). Many IP and TP territories are not yet demarcated and even when indigenous lands are already demarcated and registered, indigenous peoples' rights over lands and natural resources are still often threatened by non-indigenous occupation and invasion. Moreover, there are large protests against currently proposed legislative measures that would severely undermine the protection of IP and TP rights.</li> <li>• There is significant evidence of violations of legal and customary rights of IP/TP.</li> </ul>	Country	Specified risk	

- The conflict resolution is not broadly accepted by affected stakeholders as being fair and equitable as there was a lack of balance between the demand for conflict resolution involving traditional peoples and communities and compliance with such resolution, or prevention of such conflicts by the government in seventeen States. (This does not apply to the Planted Forest Wood (as referred to in NRA Brazil) in the States: Bahia, Espírito Santo, Maranhão, Mato Grosso, Mato Grosso do Sul, Pará, Paraná and Santa Catarina).

**The following specified risk thresholds apply, based on the evidence:**

(22) The presence of IP and/or TP is confirmed or likely within the area. The applicable legislation for the area under assessment covers key provisions of ILO governing identification and rights of IP and TP and UNDRIP but risk assessment for relevant indicators of Category 1 confirms 'specified risk'; AND

(24) Substantial evidence of widespread violation of IP/TP rights exists; AND

(25) IP and/or TP are not aware of their rights; (Some IP/TP are aware of their rights, given the many protests of IPs and TPs. But the lack of awareness is likely for uncontacted tribes and many others given the size of the country with limited access to large parts of the Amazon where most IPs live.) AND

(26) There is evidence of conflict(s) of substantial magnitude pertaining to the rights of IP and/or TP. Laws and regulations and/or other legally established processes do not exist that serve to resolve conflicts in the area concerned, or, such processes exist but are not recognized by affected stakeholders as being fair and equitable. Note under threshold No 20 applies.

## Controlled wood category 3: Wood from forests in which high conservation values are threatened by management activities

### Overview

Brazilian native forests cover about 456 million hectares and are rich in biodiversity of fauna and flora. The Amazon biome covers an area of approximately 325 million hectares of native vegetation. The biomes Cerrado and Mata Atlântica are both considered biodiversity hotspots. These areas are constantly threatened by deforestation, a problem that occurs systematically in the whole country. Only in the Amazon biome, 800 thousand hectares were deforested in 2016, according to the National Institute of Space Research (INPE). The Atlantic Forest has only 12.5% of areas above 3 hectares left from its original cover (SOS Mata Atlântica). About 20% of the endemic species of Cerrado no longer occur inside protected areas, and only 8.2% of its area is protected by conservation units, according to the Ministry of Environment.

Brazil has two different kinds of forest management: forests plantations and native forests. These two kinds of management have major differences. Forest plantations management is very similar to conventional agriculture, with homogeneous forests and clear-cutting interventions. Therefore, forest plantations obey to agricultural legislation, with few different legal requirements – for example, some states require environmental licensing for the activity. Native forest management, however, works in a very particular way. Legal requirements for native forest aim to respect forest dynamics, specially concerning the time it takes to recover the harvested volume. In natural forest management, there is no clear cutting, only selected harvesting of trees with commercial use and above a diameter threshold. Also, harvested volume must not exceed a maximum value per hectare, which can be different for each kind of management – community management, also known as low impact management, which allows 10 m<sup>3</sup> per hectare in a 10-year cycle; and corporate management, also known as extensive management, which allows a harvested volume up to 30 m<sup>3</sup>/ha in a 30-year cycle. All requirements are covered by legislation (Resolution CONAMA n<sup>o</sup>. 406/2009; Normative Instruction IBAMA n<sup>o</sup>. 05/2006). These technical requirements must be included in all required documentation – Forest Sustainable Management Plan (PMFS), Annual Exploitation Plan (POA), Exploitation Permit (AUTEX) and Document of Forest Origin (DOF).

Forest plantation management are restricted to private properties, while native forest management can occur either in private property – in legal reserve areas, according to national forest law (Law n<sup>o</sup> 11651/2012) and respecting restrictions covered by state laws and other regional requirements – or in public forest, through forest concession process ruled by Law n<sup>o</sup>. 11284/2006 and under the responsibility of the Brazilian Forest Service – SFB.

Threats to HCV can occur in different ways, depending on type of management – plantations or native forests –, the HCV involved and location – vegetation, stakeholders and resources involved. Environmental impacts are mostly caused by violation of law – non-compliance with legal protected areas, for plantations, and by disrespecting the technical requirements of native forest management. The later involves exploitation of other areas than the ones covered by the PMFS, harvesting of volumes above permitted, damages to non-harvested areas and illegal harvesting of threatened species. Both cases can also involve corruption of the public agents and inspection bodies. Details about violations of laws concerning forest management are covered in Category 1. Threats concerning HCV 5 and 6 usually involve management occurring in disrespect to traditional people's territories and cultural and religious areas, as well as use of traditional communities' resources without compensation. There are legislation covering these issues and there are public bodies responsible for inspecting management properties to check if there is compliance with the law. As assessed in Category 1, however, as the country is wide and the public bodies resources are limited, inspections frequently fail to cover all cases of illegality, resulting in systematic disrespect to both environmental and social aspects related to management activities.

There are currently no studies about occurrence and location of HCV areas in Brazil, nor for threats to these areas.

## Experts consulted

	Name	Organization	Area of expertise (category/sub-category)
1.	Elson Fernandes de Lima	Casa da Floresta	Ecologist with Masters' degree in Applied Ecology, works at Casa da Floresta Ambiental as consultant on ecology, certification standards, environmental restoration, environmental licensing, biodiversity monitoring and conservation. He has experience in project management for the identification of environmental HVC (1, 2, 3, and 4) and social HCV (4, 5 and 6).
2.	Fernando Matsuno Ramos	Index Florestal	Biologist, specialist in Forest Management. Member of the State Environmental Council of Paraná (CEMA/PR) and the State Council of Water Resources of Paraná (CERH/PR). HCV 4.
3.	Fábio Marchetti	USP/ESALQ	Biologist with Masters' degree in Vegetal Biology. Specialist in Agroecology and Agri-Forestry systems. Doctor in Applied Ecology. Works as a researcher for USP/ESALQ, conducting works with Human Ecology and Ethnobotany. Works as an independent consultant on the identification of HCV 5 and 6.
4.	Miguel Serediuk Milano	Permian Brasil	Forest Engineer, M. Sc. And Dr. in Forest Science. Works as a director for Permian Brasil and Milano Consultoria e Planejamento. Member of the board of directors of Life Institute, Funbio, Forest Trends, O Eco, and others. HCV 4.
5.	Marcelo Diogo Sousa Rodrigues	State Superintendency of Environment of Ceará (SEMACE)	Forest Engineer works on Management Plan analysis, elaboration of environmental state legislation and monitoring of environmental legislation publications. HCV 1, 2, 3 and 4.
6.	Giovana Baggio	The Nature Conservancy	Forestry Engineer, Agricultural Manager at The Nature Conservancy, with expertise in environmental/forest management, ISO and FSC certification, HCV identification and social actions. HCV 1.
7.	José Ambrósio Ferreira Neto	Viçosa Federal University – UFV	Sociologist, M. Sc. in Rural Extension and PHD in Development, Agriculture and Society, Professor at Viçosa Federal University, conducts researches related to agrarian reform, environment, collective action and projects territorial organization. HCV 5 and 6.
8.	Louri Klemann Jr.	Amazonas State University	Biologist, M. Sc. and PHD in Ecology and Conservation, Professor at Amazonas State University and curator of the biological collections of the Itacoatiara Center of Superior Studies. HCV 1, 2, 3 and 4.
9.	André Vasconcelos	NGO Global Canopy	Ecologist, worked with HCV for 5 years, participating in HCV identification, management and monitoring in many regions, including the states of São Paulo, Paraná, Mato Grosso do Sul, Bahia, Maranhão, Piauí and Tocantins. Recently developed a project for global evaluation of HCV potential for the accomplishment of UN conservation goals (Aichi Targets and SD Goals). HCV 1, 2, 3, 5 and 6.
10.	Luciana Maria Papp	ESALQ/USP	Doctor in Forest Conservation by the Forest Resources Post-Graduation Program from ESALQ/USP. Member of the Tropical Silviculture Laboratory – LASTROP.

## Risk assessment

Indicator	Sources of Information <sup>5</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
<p>3.0 The available data are sufficient to:</p> <p>A) Determination of the presence of HCV for each HCV, and</p> <p>B) Assessment of threats to HCVs due to forest management activities.</p>	<p><a href="#">HCV Network - Common Guidance for the identification of High Conservation Values (2013)</a></p> <p><a href="#">HCV Network - Common Guidance for HCV Management and Monitoring (2014)</a></p> <p><a href="#">ProForest - Good practice guide for evaluations of high conservation areas (2008)</a></p> <p><a href="#">ICMBio - Analysis of deforestation in federal conservation units in the Amazon (2010)</a></p> <p><a href="#">INPE - Map of deforestation outbreaks and embargoed areas in Brazil published by IBAMA and INPE (2011)</a></p> <p><a href="#">MMA - Monitoring of Deforestation of Brazilian Biomes by Satellite</a></p> <p><a href="#">MMA - Priority Areas for Conservation, Sustainable Use and Benefit Sharing of Brazilian Biodiversity. Update of MMA Ordinance n°. 9, of January 23, 2007. (2007)</a></p> <p><a href="#">MMA - Distribution of conservation areas for sustainable use and integral protection at state level (2016).</a></p> <p><a href="#">ICMBio - Distribution of conservation areas for sustainable use and integral protection at federal level (2019)</a></p>	<p>At national level there is no official interpretation of HCV. Since there are no reports or maps that specifically identify or evaluate the presence of HCVs in Brazil, proxies are commonly used to help identifying these areas, such as data on conservation units for HCV 1, 2 and 3 and data on archeological sites for HCV 6. Even though these proxies are not always enough to cover all areas, given that they apply for larger scales and do not cover all HCV aspects, they help making an assessment on HCV presence.</p> <p>All specialists consulted for Category 3 agree that available data (secondary) are not enough to precisely identify HCV occurrence or threats to these HCV. The available data are scattered and insufficient, and there is no public database that allows the correct identification of the presence of HCV. Some of them defined the classification of HCV based only on secondary data as 'dangerous', since it would lead to a high level of generalization. However, by using proxies it is possible to assess many relevant aspects and make preliminary analysis for HCV identification, directing field surveys.</p> <p>For HCV 1, 2 and 3, data such as priority areas for conservation, lists of species, lists of threatened species, and databases such as MapBiomass can help during identification. Data from SNUC about conservation units are also important proxies for HCV assessment. SNUC aims to put together all this knowledge to classify all areas of major importance for wildlife conservation as conservation units. There are currently 2,100 conservation units in Brazil, 665 of which are classified as full protection (meaning that no direct use of resources is allowed inside them). These areas cover a total of 1.59 million of km<sup>2</sup>, almost 20% of Brazilian territory.</p>	-	<p><b>Risk determination</b></p> <p>The indicator 3.0 was classified as <b>low risk</b>.</p> <p>Low risk thresholds:</p> <p>(1) Data available are sufficient for determining HCV presence within the area under assessment; AND</p> <p>(2) Data available are sufficient for assessing threats to HCVs caused by forest management activities.</p> <p>Both low risk thresholds are met</p>

<sup>5</sup> Click the text to access the respective source of information

	<p><a href="#">Conama Resolution nº. 428/2010</a></p> <p><a href="#">Law nº 9.985/2000 – Institutes the National System for Nature Conservation Units</a></p> <p><a href="#">Decree MMA nº 9/2007 – Institutes the Priority Areas for Conservation, Sustainable Use and Sharing of Benefits for Brazilian biodiversity</a></p>	<p>Other areas recognized nationally or internationally as ecosystems or habitats of major importance, such as the RAMSAR sites, can also be considered.</p> <p>RAMSAR sites are wetlands of international importance recognized by the Ramsar Convention. All countries bound by the Convention must undertake to work towards their three pillars:</p> <ol style="list-style-type: none"> <li>1. Ensure the conservation and responsible use of wetlands designated as Wetlands of International Importance;</li> <li>2. Include as much as possible the responsible use of all wetlands in national environmental planning; and</li> <li>3. Consult other members on the implementation of the Convention, especially with regard to wetland boundaries and shared water systems and / or species.</li> </ol> <p>For HCV 5 and 6, data helps identifying the occurrence of traditional communities, which is an indicative of HCV presence (data from Funai, Incra, Socioenvironmental Institute – ISA, Palmares Cultura Foundation; and others specific for Amazon, such as Amazon Environmental Institute of Research – IPAM, Imazon and Life Center Institute – ICV). Also, some information help identifying places of importance in regional, national or global scale, such as data from Iphan and UNESCO.</p> <p>Specialists state that identification of these cultural constructed places demand knowledge of the local context and sensibility from the analyst during contact with communities and stakeholders. Others understand that fieldwork is necessary since HCV 5 and 6 address specific and regionalized aspects.</p> <p>For HCV 4, specialists understand that the areas are scattered all over the country. Some of them believe large zones, such as all area above Guarani aquifer, and the whole Cerrado should be classified as HCV 4, considering the fragility of soils and their importance to the conservation of water resources.</p> <p>Even though it is difficult to identify HCV areas based only on secondary data, available information regarding conservation units, priority areas, RAMSAR sites and Intact Forest Landscapes provide a good set of proxies that can guide fieldwork by indicating where important environmental values may be found. Also, official deforestation reports, even if not specifically related to forest management activities, indicate where those important</p>		
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		<p>values may be suffering intensive threats by human activities in general.</p> <p>Concerning social HCV, data on archeological sites, for example, as well as data indicating the presence of indigenous or traditional lands or rural communities may indicate where HCV may be found.</p> <p>Therefore, even though field surveys are still required for HCV identification in a local scale, the proxies available allow to assess the occurrence of those areas by indicating where the HCV may be found. Also, data on important national level environmental and social values clearly indicate the presence of national level HCV. This way, the proxies available are enough to assess the presence and threats to HCV.</p>		
3.1 HCV 1 Species diversity	<p><a href="#">ICMBio – Data from federal conservation units (2019)</a></p> <p><a href="#">Ministry of Environment - Data from state and municipal conservation units (2014)</a></p> <p><a href="#">Ministry of Environment - Data on priority areas for conservation by biome (2007)</a></p> <p><a href="#">MMA - Monitoring of Deforestation of Brazilian Biomes by Satellite</a></p> <p><a href="#">ICMBio - Analysis of deforestation in federal conservation units in the Amazon</a></p> <p><a href="#">Imazon - Deforestation Alerts System (SAD) - deforestation and degradation polygons for the Legal Amazon</a></p> <p><a href="#">BirdLife International – Important Bird Areas (2017)</a></p> <p><a href="#">BirdLife International – Country Profile – Brazil (2017)</a></p>	<p><i>HCV 1 Species diversity. Concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant at global, regional or national levels.</i></p> <p>Areas with probable HCV 1 are highly scattered throughout the whole country, and they include areas like Key Areas for Biodiversity Conservation, Important Areas for Bird Preservation, Ramsar Sites, Conservation Units, Private Reserves of Natural Heritage, Priority Areas, etc. These areas are all classified as important areas for conservation given their singularity and importance for the conservation of the biodiversity that inhabits those specific environments. Both Key Areas for Biodiversity Conservation and Important Areas for Bird Preservation have the objective of preserving places of crucial importance for the maintenance of local biodiversity of fauna. Ramsar Sites are areas that, given their specific characteristics, have major importance for the conservation of biodiversity that only inhabits these environments. Each Conservation Unit and Priority Area has specific objectives, but they are always associated with the preservation of populations of plants and animals. However, HCV areas can be found almost anywhere in natural landscapes, in wet zones (lakes, lagoons, swamps, veredas), mangroves, caves, intermittent rivers, natural fields, rupestrian fields, and others. Areas in Caatinga (a biome located in the northeastern region of Brazil) have major importance for conservation, including many</p>	Country	<p><b>Determination of risk</b></p> <p>Conservation areas (conservation units, priority areas, Ramsar sites and other areas for the conservation of biodiversity) are spread through the whole country. The presence of these areas is being considered as an indication of HCV1 presence (except in environmental protection areas, where the economic use is widely permitted). Given the wide distribution of conservation areas, as well as the difficulty in identifying where management activities are taking place and whether they are causing</p>

	<p><a href="#">MapBiomass – Annual Land Use and Covering Mapping</a></p> <p><a href="#">ICMbio – Brazil Red Book of Threatened Species of Fauna (2016)</a></p> <p><a href="#">National Center of Flora Conservation (CNCFlora) – Red List of Threatened Species of Flora</a></p> <p><a href="#">Greenpeace – End of deforestation in Amazon: why and how to get there (2018)</a></p> <p><a href="#">Ministry of Environment – Fifth National Report to the Convention of Biological Diversity (2015)</a></p>	<p>endemic species and with few studies. Concerning critical concentrations, areas such as the region of Santa Catarina Mountains in which there is a gathering of many important and threatened bird species before winter, to feed on <i>Araucaria angustifolia</i> seeds, have major importance.</p> <p>The Conservation Units system aims to conserve natural resources of singular importance. Also, permanent preservation areas and legal reserve in rural properties contribute to natural vegetation conservation. These areas, even though they are not part of the Conservation Units system, are native vegetation areas that must be maintained in every rural property in Brazil, according to the Brazilian Forest Code (Law 12651/2012).</p> <p>Conservation units, including the state conservation units and priority areas for biodiversity conservation are areas recognized as rich in biodiversity and of great importance for the maintenance of environmental balance. Conservation units are divided in two groups: integral protection (areas where no use is allowed) and sustainable use (areas where some activities are allowed, such as tourism, extraction of resources and some economic activities, depending on each case). Integral protection areas are divided into five categories:</p> <ol style="list-style-type: none"> <li>1- Ecological Station: area destined to preservation of nature and scientific research;</li> <li>2- Biological Reserve: areas with integral preservation of biodiversity, free of any human intervention;</li> <li>3- National Park: destined to the preservation of natural ecosystems of great ecological relevance or scenic beauty, allowing scientific research and environmental educational actions, as well as tourism;</li> <li>4- Natural Monument: has the objective of preserving rare natural sites of great scenic beauty;</li> <li>5- Wildlife Refuge: area destined to the protection of natural environments of great importance for the existence and reproduction of species of fauna and flora.</li> </ol> <p>Sustainable use areas are divided into 7 categories:</p> <ol style="list-style-type: none"> <li>1- Environmental Protection Area: extensive area, with regulated human occupation, with many attributes of importance for the maintenance of the quality of living and</li> </ol>	<p>any threats to HCVs, the precautionary approach was adopted.</p> <p>Indicator 3.1 was considered <b>specified risk</b> for the whole country.</p> <p>‘Specified risk’ threshold (8) is met:</p> <p>(8) HVC 1 is identified and / or its occurrence is likely in the assessed area and it is threatened by management activities</p>
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		<p>approach has been adopted and the whole country was designated as specified risk.</p>		
<p>3.2 HCV 2 Landscape-level ecosystems and mosaics</p>	<p><a href="#">ICMBio – Data from federal conservation units (2019)</a></p> <p><a href="#">Ministry of Environment – Data from state conservation units (2014)</a></p> <p><a href="#">Ministry of Environment – Data on priority areas for conservation by biome (2007)</a></p> <p><a href="#">The IFL Mapping Team – Intact Forest Landscapes (2006-2017)</a></p> <p><a href="#">World Resources Institute – Global Forest Watch</a></p> <p><a href="#">Greenpeace – End of deforestation in Amazon: why and how to get there (2018)</a></p>	<p><i>HCV 2 – Landscape-level ecosystems and mosaics. 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.</i></p> <p>The HCV 2 includes ecosystems and mosaics of ecosystems that are large and relatively preserved enough to harbor populations of most naturally occurring species and the vast majority of other environmental values that occur in the ecosystem. Given the great diversity of vegetation types in Brazil, areas with these characteristics can be found all around the country. They are common, for example, in Brazilian coast, where dunes form mosaics with rainforest and sandbanks. This evaluation requires efforts to quantify biodiversity, similar to what occurs for HCV 1. Therefore, the proxies already used for Indicator 3.1 can be used as the data source: priority areas for conservation and Conservation Units that are designated for the protection of wildlife and biodiversity. Conservation units and priority areas for biodiversity conservation are areas recognized as rich in biodiversity and of great importance for the maintenance of environmental balance. There is an effort on the part of the environmental agencies - ICMBio, MMA, and IBAMA - to map and officially recognize areas of natural vegetation of importance for biodiversity. Therefore, the information about conservation units and priority areas for conservation are a strong indication of the presence or absence of HCV 2 in the Brazilian territory. Environmental Protection Areas were not considered, however, as these Conservation Units have almost no restrictions over economic activities. Intact Forest Landscapes (IFL) are the last remaining of large forest areas undisturbed by fragmentation, roads or other significant human infrastructures.</p>	<p>Country</p>	<p><b>Risk determination</b></p> <p>Conservation areas (conservation units, priority areas, Ramsar sites and Intact Forest Landscapes, as well as other areas for the conservation of biodiversity) are spread through the whole country. The presence of these areas is being considered as an indication of HCV2 presence (except in environmental protection areas, where the economic use is widely permitted). Given the wide distribution of conservation areas, as well as the difficulty in identifying where management activities are taking place and whether they are causing any threats to HCVs, the precautionary approach was adopted.</p> <p>Indicator 3.2 was considered a <b>specified risk</b> for the whole country.</p>

		<p>Technically, according to the global concept, it is defined as a territory within an extension of forest that contains forest and non-forest ecosystems minimally impacted by human activities, with a total area of at least 500 km<sup>2</sup> (50,000 ha) and a minimum width of 10 km (measured as the diameter of a circle completely inscribed within the limits of the territory). According to the map available on Intact Forests website, the largest concentration of IFL areas in Brazil is in the Amazon region. There are also areas in São Paulo, in the region of Intervales State Park; Paraná, in the regions of Guaraqueçaba Environmental Protection Unit and Iguaçu National Park; Piauí, in the region of Serra das Confusões National Park; and Mato Grosso do Sul, in the region of Pantanal Mato-Grossense, including Pantanal do Rio Negro State Park.</p> <p>Although protected by law and despite efforts by the entities responsible for its administration, there are cases of illegal activities occurring within conservation units and priority areas. In Legal Amazon, between the years of 2012 and 2016, more than 2.2 thousand hectares were deforested inside conservation units. Greenpeace points out that between 2013 and 2017 the annual average deforestation rate was bigger than the deforestation levels registered for 2012, indicating that the downfall in deforestation rates that has been occurring since 2005 was interrupted.</p> <p>There is an effort from the public administration to inspect illegal activities, but the wide distribution of natural forests and the lack of resources for these activities makes it difficult to inspect all areas with the necessary frequency. According to Greenpeace, the impunity for environmental crimes, fails in livestock agreements and incentives to land grabbing are among the main reasons for the continuity of deforestation. Greenpeace points out that a decrease in deforestation levels cannot be expected soon, given that draft laws that contribute to the weakening of forest protections are on course of approval. These draft laws include amnesty to land grabbing crimes, the weakening of the environmental licensing system and, most of all, the cut in protected areas. Given the available proxies, HCV 2 areas can be assessed in order to guide field surveys concerning threats to related values. IFL areas, specifically, are already officially mapped and identified, in a way no field surveys are required to</p>	<p>Specified risk threshold (12) is met:</p> <p>(12) HCV 2 is identified and/or its occurrence is likely in the area under assessment, and it is threatened by management activities.</p>
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		<p>confirm the presence of HCV. The assess of threats, however, is difficult given the lack of information concerning this issue. Information available on reports published by the Greenpeace, even though they relate specifically to the Legal Amazon region, show that threats to HCV 2 areas are a systematic problem in Brazil.</p> <p>Given the wide distribution of protected areas and natural resources and the limited information regarding threats to those values caused by forest activities; the frailty of inspection systems; the systematic occurrence of illegal activities inside those areas; and the weakening in environmental protection legislation, the precautionary approach was adopted. Therefore, this indicator was considered as specified risk.</p>		
<p>3.3 HCV 3 Ecosystems and habitats</p>	<p><a href="#">ICMBio – Data from federal conservation units (2019)</a></p> <p><a href="#">Ministry of Environment – Data from state conservation units (2014)</a></p> <p><a href="#">Ministry of Environment – Data on priority areas for conservation by biome (2007)</a></p> <p><a href="#">Imazon - Deforestation Alerts System (SAD) - deforestation and degradation polygons for the Legal Amazon</a></p> <p><a href="#">Ministry of Environment – Ramsar Sites</a></p> <p><a href="#">Ramsar Convention - Ramsar Sites Information Service</a></p> <p><a href="#">Ministry of the Environment - Fifth National Report on the Convention on Biological Diversity (2015)</a></p> <p><a href="#">Greenpeace – End of deforestation in Amazon: why and how to get there (2018)</a></p>	<p><i>HCV 3 – Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats or refuges.</i></p> <p>HCV 3 includes ecosystems, habitats and refuges of particular importance due to their rarity or the threat level they face, their rare and unique species composition or another characteristic. In order to define rare ecosystems, the presence of similar ecosystems in the same biogeographic region and/or country must be considered. For the identification of threatened ecosystems, one should consider regions where many ecosystems or habitats have been eliminated or severely impacted by human activities. It should be noted that, because of the close link between species and their habitats, there is a considerable overlap between HCVs 1, 2 and 3.</p> <p>Given the diversity of Brazilian vegetation, there are many rare ecosystems which are threatened by human activity. For example, areas through the coasts in heights above 1,200 meters with nebular forest or wet forest. Other areas include mangroves and the Caatinga areas. Specialists also mentioned areas in the south of Bahia and all the region around the border between the states of Bahia, Maranhão, Tocantins and Piauí (known as MATOPIBA), as areas of great complexity in terms of vegetation. Muçununga areas (very particular areas with sandy, wet and soft soil and distinct vegetation) in the south of Bahia and north of Espírito Santo are very critical, with high levels of endemism, and</p>	<p>Country</p>	<p><b>Risk Determination</b></p> <p>Conservation areas (conservation units, priority areas, Ramsar sites and other areas for the conservation of biodiversity) are spread through the whole country. The presence of these areas is being considered as an indication of HCV3 presence (except in environmental protection areas, where the economic use is widely permitted). Given the wide distribution of conservation areas, as well as the difficulty in identifying where management activities are taking place and whether they are</p>

	<a href="#">Ministry of Environment – Rural Environmental Registry</a>	<p>can only be found in this specific region. The MATOPIBA is an area of transition between Caatinga, Mata Atlântica and Cerrado, presenting high complexity and great importance for wildlife conservation.</p> <p>Similar to the assessment conducted for HCV 1 and 2, the presence or absence of conservation units and priority areas for conservation in the region is determinant for the identification of HCV3, since the presence of rare or threatened ecosystems and habitats is very likely in such areas. In addition, Ramsar sites have been considered in view to their recognition as ecosystems of international relevance. These areas have great importance for the conservation of wetlands, rare and threatened ecosystems. According to the Ramsar Convention, those areas continue to decline all over the world. There are currently 20 RAMSAR sites in Brazil, including for example, the Guaraqueçaba Ecological Station, a wetland in the State of Paraná that shelters many endemic and migratory species of animals.</p> <p>The available data on deforestation were considered here as indicative of the levels of threat to rare and threatened ecosystems. Data from Imazon and MMA about deforestation were considered for this assessment. This data show that deforestation occurs systematically all over the country, year after year. The most recent data from MMA about the deforestation on Cerrado, a biome considered a biodiversity hotspot for its rare ecosystems and threat levels, shows that between 2010 and 2011 7,2 thousand of squared kilometers were deforested in the biome. Also, data from INPE shows that on the Legal Amazon, between the years of 2012 and 2016, more than 2.2 thousand hectares were deforested inside conservation units</p> <p>The legislation contributes to the weakening in the protection of forests, according to Greenpeace (2018), by giving impunity for land grabbers and reducing of protected areas. Greenpeace points out that, in order to end the deforestation, it would be necessary to implement new public environmental policies and to support sustainable use of resources.</p> <p>There is a lack of effective protection over HCV 3 areas. Inspection is made by Imazon through remote sensing technics.</p>	<p>causing any threats to HCVs, the precautionary approach was adopted. Indicator 3.3 was considered a <b>specified risk</b> for the whole country.</p> <p>Specified risk threshold (17) is met:</p> <p>(17) HCV 3 is identified and/or its occurrence is likely in the area under assessment, and it is threatened by forest management activities.</p>
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3.4 HCV 4 Critical ecosystem services	<p><a href="#">Brazilian Geological Service - CPRM</a></p> <p><a href="#">Highland, L.M. &amp; Bobrowsky, P. – The Landslide Handbook: A Guide to Understanding Landslides. USGS (2008)</a></p> <p><a href="#">Sidle, R.C. et al. – Erosion processes in steep terrain – truths, myths and uncertainties related to forest management in Southeast Asia, For. Ecol. Manage. 224, 199–225. (2006)</a></p> <p><a href="#">Brown, E., N. Dudley, A. Lindhe, D.R. Muhtaman, C. Stewart, and T. Synnott (eds.).</a></p>	<p><i>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.</i></p> <p>The critical environmental services provided by forests are diverse and broad and are linked to several environmental factors of local influence.</p> <p>The analysis of environmental sensitivity, therefore, requires the crossing of a series of geomorphological, pedological, climatic, hydrological and land use and occupation information. Such data, considering the national scale, are scarce and often unavailable in official sources.</p>	Country	<p><b>Risk determination</b></p> <p>Ecosystem services is a wide concept that covers many different aspects of the landscape. Given the diversity of Brazilian natural areas, these services can be very specific and difficult to identify. Available proxies help assessing HCV 4 presence, but</p>

<p><a href="#">Common guidance for the identification of High Conservation Values. HCV Resource Network. (2013)</a></p> <p><a href="#">National Spatial Data Infraestructure – The Brazilian Portal for Geospatial Data</a></p> <p><a href="#">Millennial Ecosystem Assessment – Ecosystems and Human Well-being: Synthesis (2005)</a></p> <p><a href="#">Holdsworth, A.R. and Uhl, C. – Fire in Amazonian selectively logged rain forest and the potential for fire reduction. Ecological Applications 7:713–725. (1997)</a></p> <p><a href="#">Nepstad, D. et al. – Road paving, fire regime feedbacks, and the future of Amazon forests. Forest Ecology and Management, 154: 3, 395-407. (2001)</a></p> <p><a href="#">Permanent Preservation Areas and Conservation Units x Risk Areas: what one thing has to do to another? – Report on the inspection of the area affected by rainfall in the Região Serrada of Rio de Janeiro (2011)</a></p> <p><a href="#">Ministry of Science, Technology, Innovation and Environment – Monitoring of the Brazilian Amazon Forest by Satellite - PRODES</a></p> <p><a href="#">Water National Agency – Water Quality Portal</a></p> <p><a href="#">The World Bank – The initiative of the Guarani Aquifer System Program: Towards the practical management of the subterranean water in a cross-border context (2009)</a></p>	<p>Based on the report by Millennium Ecosystem Assessment (2005), ecosystem services are related to the benefits people derive from ecosystems, and these factors include provisioning services such as food, forest products and water; regulation services such as flood regulation, drought, soil degradation, air quality, climate and disease, and support services such as soil formation and nutrient cycling.</p> <p>An ecosystem service can be easily related to Conservation Units, as these areas are to be protected because of their special characteristics, including ecosystem services.</p> <p>However, it is difficult to correlate management activities with possible threats to a critical ecosystem service (such as reduction of water quality / quantity and negative impact on human health), and it is difficult to conclude, based on available information, where and how these threats are occurring.</p> <p>When talking about water control and water quality, the importance of forests, especially native forests, is clear.</p> <p>Native forests, when well-managed, following the coordinates of a well-developed PMFS, aim to maintain the beneficial functions of forests in relation to water. Therefore, the greatest risks are associated with areas of illegal logging and deforestation.</p> <p>For plantations, the requirements of the Forest Code in relation to the presence and maintenance of APP and RL, among its various functions, is aimed at protecting soil and water.</p> <p>According to the report of areas affected by the tragedy of rains in the mountainous region of Rio de Janeiro developed by MMA in 2011 the environmental function of protecting soil is one of the most relevant attributes for all types of APPs.</p> <p>The watercourse banks, known as riparian forests, with the preserved vegetation, serve as a filter, preventing impurities from reaching the water courses and, at the same time, protecting the banks against erosion, avoiding the silting and the worsening of the floods.</p> <p>On the slopes and hillsides, the maintenance of native vegetation prevents that during periods of torrential rainfall the superficial layers of the soil are carried and taken to the bed of the rivers and springs, which negatively affects the fertility of the soils and also causes the silting of water courses.</p>		<p>there is a lack of information concerning the threats to those areas. In addition, available data shows that damages to natural forests are frequent and the inspection systems are inefficient. This way, the precautionary approach was applied.</p> <p>Indicator 3.4 was considered <b>specified risk</b> for the whole country.</p> <p>Specified risk threshold (22) is met:</p> <p>(22) HCV 4 is identified and/or its occurrence is likely in the area under assessment and it is threatened by management activities.</p>
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	<p><a href="#">CONAMA nº 378/2006 - Defines those enterprises potentially causing national or regional environmental impact for purposes of the provisions of item III, § 1, art. 19 of Law nº 4.771, of September 15, 1965, and makes other provisions.</a></p>	<p>In addition, erosion caused by the lack of preservation of APPs eliminates the more superficial layers of the soil, known as those containing a higher concentration of nutrients, essential for the survival of the flora on those areas.</p> <p>According to consulted specialists, all areas that serve as water sources supply and as erosion control shall be considered as HCV 4. There are several of these areas in Brazil, such as erosion control areas in Rio Grande do Sul (e.g. Fortaleza dos Vales, Cacequi, São Valentim, etc.). Also, areas of great importance can be found in the West and Northwest regions of Mato Grosso do Sul. In a general way, all areas above Guarani aquifer require special attention. The Guarani aquifer covers a total area of 1.2 million of km<sup>2</sup>, 71% of which (840 thousand km<sup>2</sup>) are in Brazil. This is approximately 8.7% of the country's area.</p> <p>In addition, rural areas downstream Barigui river, in the metropolitan region of Curitiba, PR, are of great importance. Specialists also understand that all areas within the Cerrado domain have sensible soil and require special management methods in order to preserve water and soil resources. Also, Cerrado protects the spring of São Francisco river, which is the main river in the northeastern region. With the expansion of forest plantations in the State of Mato Grosso do Sul, there are potential threats to these areas. Amazon areas control the country's entire water regime.</p> <p>According to the consulted specialists, threats to HCV 4 are widespread, due to difficulties related to law enforcement – lack of inspections and corruption – and to the fact that economic-environmental zoning prior to forest activities not always occurs, allowing plantations to overlap HCV 4 areas. The efforts to identify these areas are recent in Brazil. The compliance with the law is enough to minimize the pressure over the resources but today, with the changes in legal requirements concerning minimum size of areas protecting water sources, there are liabilities in properties all over the country. These liabilities are widespread, which means non-compliances are currently systematic.</p> <p>Some specialists, however, understand that management in native forests helps conservation, as it creates barriers to illegal activities.</p>		
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3.5 HCV 5 Community needs	<p><a href="#">FUNAI – Data on Indigenous People’s Lands (2017)</a></p> <p><a href="#">INCRA – Data of certified quilombola communities (2017)</a></p> <p><a href="#">IBGE – Spatial data of rural villages and agglomerates (2010)</a></p> <p><a href="#">Iphan – Archaeological sites referenced (2017)</a></p> <p><a href="#">Fundação Cultural Palmares</a></p> <p><a href="#">Pastoral Land Commission – Rural Conflicts Brazil (2016)</a></p> <p><a href="#">Missionary Indigenous Council – Report on Violence against Indigenous People in Brazil (2016)</a></p>	<p><i>HCV 5 – Community needs. Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (subsistence, food, water, health, etc.), identified through engagement with these communities or indigenous peoples.</i></p> <p>The identification of the dependence of different communities on natural resources becomes impracticable at national level, especially when considering the territorial extension of the country and the distribution of the population.</p> <p>It is known that small rural communities and, especially, traditional communities and indigenous communities tend to depend more directly on the natural resources existing in their surroundings.</p> <p>Taking this into account, it can be assumed that areas where whole communities or significant portions are heavily dependent on their ecosystems for their livelihoods and where there are limited viable alternatives are more likely to be areas with the presence of HCV 5. This includes, for example, sites for collecting of food or products for revenue, such as piaçava (palm trees whose fiber are used to make brooms and other tools), Brazilian</p>	Country	<p><b>Risk determination</b></p> <p>The evaluation of threats to the basic services provided by forests to the local communities, traditional and indigenous peoples is not conclusive. There are data showing that disrespect to IP and TP rights are frequent. The precautionary approach was applied.</p> <p>Indicator 3.5 was considered <b>specified risk</b> for the whole country</p>

	<p><a href="#">Greenpeace – Blood-Stained Timber: rural violence and the theft of Amazon timber (2017)</a></p> <p><a href="#">Interministerial Ordinance nº. 60/2015 – Establishes administrative procedures regulating the acting of public bodies and entities in Ibama's environmental licensing processes.</a></p> <p><a href="#">CONAMA nº 378/2006 - Defines those enterprises potentially causing national or regional environmental impact for purposes of the provisions of item III, § 1, art. 19 of Law nº. 4.771, of September 15, 1965, and makes other provisions.</a></p>	<p>nut, pinhão (<i>Araucaria angustifolia</i> seeds), medicinal products and others, besides water supply sites and other important resources.</p> <p>In general, if local populations take advantage of natural or traditionally managed ecosystems, HCV 5 may be present. Thus, to characterize the risk for indicator 3.5, the information on the occupation of areas by local communities, indigenous peoples and quilombolas must be considered. These areas, especially rural communities, are scattered through the whole country.</p> <p>According to consulted specialists, there are too many HCV 5 areas in Brazil and few data about them. Some proxies can be used in order to check whether there are traditional or indigenous people living in the area under assessment – such as data from Funai, Incra, Palmares Foundation. The presence of traditional or indigenous people is considered as an indication of the presence of HCV 5 in the vicinities. Also, communities that are known to be more dependable on natural resources are more likely to be associated with HCV 5 areas.</p> <p>According to consulted specialists, there are several and diverse threats caused by forest management activities to HCV 5 areas, but most of them are related to water resources and extractive activities. Threats to water springs in many times affect not only traditional people, but rural communities in general. Also, management activities from both plantations and native forests are equally threatening to HCV 5 areas, by obstructing access to those resources or causing damage to their continuity.</p> <p>The main challenge concerning the assessment of HCV 5 occurrence and impacts, as stated by one of the consulted specialists, is the necessity of considering both the social and environmental aspects of the resources.</p> <p>There are data from Pastoral Land Commission showing that traditional people rights are disrespected systematically. In 2016, 162 cases of land conflict involving indigenous or quilombola people were registered, in 20 states. Also, reports from Missionary Indigenous Commission denounced, for the year of 2015, 179 cases of violence against indigenous people, involving murder, attempted murder, negligent homicide, death threats, other threats, personal injuries, power abuse, racism and ethnical-</p>	<p>Specified risk threshold (26) is met:</p> <p>(26) HCV 5 is identified and/or its occurrence is likely in the area under assessment and it is threatened by management activities.</p>
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		<p>sustainable development of traditional communities, ensuring their territorial, socioenvironmental, economic, and cultural rights and to the use of their traditional knowledge.</p> <p>Concerning forestry activities, Law nº. 11.284/2006 which deals with the management of public forests, establishes the allocation of forests, prior to the carrying out of concessions, to local communities through the creation of extractives reserves and reserves of sustainable development (in accordance with Law nº. 9.985/2000), the creation of forest settlement projects, and other forms of guaranteeing access to forest resources by traditional peoples.</p> <p>Greenpeace presents specific cases related to forest activities in their report Blood-Stained Timber. The report points many cases of violent actions conducted by timber companies against local people and traditional population. In the municipality of Machadinho d'Oeste, in the State of Rondônia, the timber industry has been putting pressure on state's forests and intimidating the population through violence in a land grabbing process, depriving people of their lands, including Extractive Reserves used by traditional people for their subsistence.</p> <p>The presence of numerous rural communities, traditional or otherwise, in Brazilian territory, as well as their diversity, are factors that make it difficult to identify the specific needs of each population, as well as the threat to such needs.</p> <p>However, there is an effort on the part of the official bodies to map and recognize the presence of such communities.</p> <p>The specialized information from the official sources is considered determinant in the evaluation of the presence of HCV 5. Considering the wide distribution of HCV 5 related attributes and the lack of data to identify threats to those values caused by forest activities, the precautionary approach has been applied for this indicator, thus this indicator is considered as specified risk.</p>		
3.6 HCV 6 Cultural values	<p><a href="#">Fundação Cultural Palmares</a></p> <p><a href="#">FUNAI – Data on Indigenous People's Lands (2017)</a></p>	<p><i>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, traditional peoples, or indigenous</i></p>	Country	<p><b>Risk determination</b></p> <p>Rural communities, as well as TP and IP lands are widely distributed throughout the country.</p>

	<p><a href="#">IBGE – Spatial data of rural villages and agglomerates (2010)</a></p> <p><a href="#">INCRA – Data of certified quilombola communities (2017)</a></p> <p><a href="#">Iphan – Archaeological sites referenced (2017)</a></p> <p><a href="#">UNESCO – Spatial data on the patrimony of mankind (2012)</a></p> <p><a href="#">Pastoral Land Commission – Rural Conflicts Brazil (2016)</a></p> <p><a href="#">Missionary Indigenous Council – Report on Violence against Indigenous People in Brazil (2016)</a></p> <p><a href="#">Greenpeace – Blood-Stained Timber: rural violence and the theft of Amazon timber (2017)</a></p> <p><a href="#">CONAMA nº 378/2006 - Defines those enterprises potentially causing national or regional environmental impact for purposes of the provisions of item III, § 1, art. 19 of Law No. 4.771, of September 15, 1965, and makes other provisions.</a></p> <p><a href="#">CONAMA Resolution nº. 428/2010 – modify CONAMA Resolution nº 378/06</a></p> <p><a href="#">Decree nº. 1.775 / 1996 - Regulates the demarcation of indigenous lands</a></p> <p><a href="#">Decree nº. 4.887/2003 – Regulates the demarcation of Quilombola communities' lands, Clause 3</a></p>	<p><i>peoples, identified through engagement with these local communities.</i></p> <p>The identification of HCV 6 becomes complex insofar as traditional communities are numerous and widely distributed, and cultural and religious practices are diverse.</p> <p>For the evaluation of indicator 3.6, in addition to all sources used in Indicator 3.5, information on UNESCO World Heritage sites and geographic data of the National Historical and Artistic Heritage Institute (IPHAN) and natural monuments conservation units must be considered. These areas must be automatically classified as potential areas of HCV 6, given their importance as cultural and historical heritage at regional, national or global level.</p> <p>Data from Iphan provides the location of all officially recognized cultural patrimonies, including archeological and historical sites. That also includes 11 protected cultural heritage sites, such as the ruins of Santo Antônio das Alegrias, in the State of Maranhão, and the ruins of the village of Bela da Santíssima Trindade, in Mato Grosso.</p> <p>UNESCO World Heritage sites are places with unique characteristics that are considered universal property. Natural sites include Chapada dos Veadeiros and Emas National Park, located in the Cerrado biome that shelter a wide biodiversity. Cultural heritage sites include historical centers of cities like Ouro Preto.</p> <p>Natural Monument is a category of integral protection conservation unit destined to the preservation of rare natural sites of great scenic beauty.</p> <p>Consulted specialists stressed it is not possible to identify the threats to HCV 6 without field surveys. According to them, most of these areas are cemeteries or areas used for religious rituals, such as areas in Bahia used for Afro-Brazilian cults. But in a general way, considering the relation between communities and landscape, the presence of HCV 6 is widely spread through the country.</p> <p>Threats caused by plantations are more intense due to the fact the changes on the landscape are more extreme. For plantations, threats are most commonly related to overlapping of management</p>	<p>Even though there are official data helping to locate the presence of communities, it is difficult to identify their specific cultural or religious values. Taking into account the systematic disrespect of traditional and indigenous peoples rights throughout the country, and the limited data available for identifying threats to those values caused by forest activities, the precautionary approach was applied.</p> <p>Thus, this indicator 3.6 was considered <b>specified risk</b> for the whole country</p> <p>Specified risk threshold (30) is met:</p> <p>HCV 6 is identified and/or its occurrence is likely in the area under assessment and it is threatened by management activities.</p>
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		<p>their territorial, socioenvironmental, economic, and cultural rights and to the use of their traditional knowledge.</p> <p>Concerning forestry activities, Law n°. 11.284/2006 which deals with the management of public forests, establishes the allocation of forests, prior to the carrying out of concessions, to local communities through the creation of extractives reserves and of sustainable development (in accordance with Law n°. 9.985/2000), the creation of forest settlement projects, and other forms of providing forests to traditional peoples.</p> <p>Even though legislation is wide and protective, cases of disrespect towards indigenous and traditional people's rights are frequent. The CPT report shows that land disputes involving indigenous people's traditional territories are frequented in the whole country. The CIMI report points out the many cases of violence towards indigenous people. Also, the Blood-Stained Report by Greenpeace shows cases of violence towards traditional population related to the activity of timber companies.</p> <p>The presence of traditional or indigenous people in an area was considered as a strong indication of the presence of HCV6. The definition of the level of threat to these areas due to the conduction of management activities, whether for plantations or native forests, is difficult due to lack of information.</p> <p>As stressed, however, traditional people rights are systematically disrespected, which means cultural heritage associated with those people are also threatened. Adopting a precautionary approach, all areas with traditional people, rural communities, archeological sites and/or world heritage were considered as a specified risk. These areas cover all assessed regions, meaning that the whole country shall be classified as specified risk.</p>		
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## Control measures

Guidance note:

- Text marked with **(P)** is applicable exclusively for **planted forests**;
- Text marked with **(N)** is applicable exclusively for **native forests**;
- Text with **no marking** is applicable either for **planted forests** and **native forests**;
- Every time field surveys are required as a control measure, they must be conducted at least once in each CW supply unit during the time it is supplying;
- Every time consultation with stakeholders is required as a control measure, it must be conducted annually;
- Some verifiers are suggested, which does not exclude the possibility of using other evidences that prove to be pertinent.

Indicator	Control measures (M – mandatory / R – recommended)
3.0	N/A
3.1 HCV 1	<p>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:</p> <ul style="list-style-type: none"> <li>• ICMBio;</li> <li>• MMA: CUs;</li> <li>• MMA: Priority areas</li> </ul> <p>M (N) – When there is overlap of the supply area with Conservation Priority Areas and/or Conservation Units, except for the Environmental Protection Area (APA), the PMFS and POA requirements must be evidenced.</p> <p>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.</p> <p>R (P) - Conduct field surveys to verify that good management practices are in place.</p> <p>R (N) - Conduct field surveys to verify compliance with PMFS and POA requirements.</p>
3.2 HCV 2	<p>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 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"> <li>• ICMBio;</li> <li>• MMA: CUs;</li> <li>• MMA: Priority areas</li> </ul> <p>M (N) – When there is overlap of the supply area with Conservation Priority Areas and/or Conservation Units, except for the Environmental Protection Area (APA), the PMFS and POA requirements must be evidenced.</p>

	<p>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.</p> <p>R (P) - Conduct field visits to verify that good management practices are in place.</p> <p>R (N) - Conduct field visits to verify compliance with PMFS and POA requirements</p> <p>R (N) –Verify that the origin of the wood consumed does not come from area classified as Intact Forest Landscape. Such verification can be performed by the site: <a href="http://www.globalforestwatch.org/">http://www.globalforestwatch.org/.</a>)</p>
3.3 HCV 3	<p>M – Confront the areas of supply of controlled wood in relation to the location in Priority Areas for Conservation, Conservation Units (except for 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"> <li>• ICMBio;</li> <li>• MMA: CUs;</li> <li>• MMA: Priority áreas;</li> <li>• Ramsar</li> </ul> <p>M (N) – When there is overlap of the supply area with Conservation Priority Areas, Conservation Units, except for the Environmental Protection Area (APA), and/or Ramsar Sites, the PMFS and POA requirements must be evidenced.</p> <p>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.</p> <p>R (P) - Conduct field visits to verify that good management practices are in place.</p> <p>R (N) - Conduct field visits to verify compliance with PMFS and POA requirements.</p>
3.4 HCV 4	<p>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:</p> <ul style="list-style-type: none"> <li>• ICMBio;</li> <li>• MMA: CUs;</li> <li>• MMA: Priority áreas;</li> <li>• FUNAI</li> <li>• INCRA</li> </ul> <p>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.</p>

	<p>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.</p>
3.5 HCV 5	<p>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:</p> <ul style="list-style-type: none"> <li>• IBGE</li> <li>• FUNAI</li> <li>• INCRA</li> </ul> <p>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.</p> <p>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.</p>
3.6 HCV 6	<p>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:</p> <ul style="list-style-type: none"> <li>• IBGE</li> <li>• FUNAI</li> <li>• INCRA</li> <li>• IPHAN</li> <li>• UNESCO</li> </ul> <p>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.</p> <p>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.</p>

## Controlled wood category 4: Wood from forests being converted to plantations or non-forest use

### Overview

Brazil has extensive cover of native forests (456 million hectares), especially in the Amazonian Biome (325 million hectares). These areas harbor great biodiversity of flora and fauna. The National Institute for Space Research (INPE) identified, during the year of 2016, deforestation of approximately 800 thousand hectares only in this biome.

The Mata Atlântica and Cerrado biomes are considered biodiversity hotspots due to their biodiversity, high levels of endemism and intensive threats to its resources. According to SOS Mata Atlântica, only 12.5% of areas above 3 hectares of the Mata Atlântica biome remains in relation to the original coverage. According to MMA, 20% of the endemic species of Cerrado no longer occur in protected areas, and 137 species of animals are threatened with extinction. In addition, only 8.2% of Cerrado's territory is protected by conservation units.

The great territorial extension of Brazil makes it difficult to supervise illegal activities that cause damage to remnants of native vegetation. Currently, the National Institute of Space Research - INPE is the main body responsible for generating updated figures on deforestation of forests in Legal Amazon. In the context of the Atlantic Forest, the SOS Mata Atlântica foundation generates the main information about the degradation of that biome.

As published on 11 January 2017 by FSC International (<https://ic.fsc.org/en/news-updates/id/1762>) and in accordance with the current understanding of the SDG, Category 4 is considered not applicable to forest plantations. The understanding is that the wood of forest plantations is not a wood that came from deforestation, as it was planted. In addition, the vast majority of species used are exotic.

### Risk assessment

Indicator	Source of information <sup>6</sup>	Functional scale	Risk designation and determination
4.1 Conversion of natural forests to plantations or non-forest use in the area under assessment is less than 0.02% or 5000 hectares' average net annual loss for the past 5 years (whichever is less), OR Conversion is illegal at the national or regional level on public and private land.	<a href="#">Law n° 11.428/2006 – Law of the Atlantic Forest</a>  <a href="#">SOS Mata Atlântica – Atlas of the Remaining Forests of the Atlantic Forest (2014-2015)</a>	Plantations	Not applicable.
		Native forests	<p><b><u>Assessment based on legality</u></b></p> <p><b>Content of law</b></p> <p>Law n°. 11,428 of December 22, 2006, known as Atlantic Forest Law, deals with the conservation, protection, regeneration and use of the Atlantic Forest Biome. This Law prohibits the conversion of areas with primary native vegetation, except in cases of public interest, scientific research and preservation practices. Areas with secondary</p>

<sup>6</sup> Click the text to access the respective source of information

	<p><a href="#">INPE – Prodes Project – Monitoring of the Brazilian Amazon Forest by Satellite</a></p> <p><a href="#">ImazonGeo – SAD – Deforestation Alert System</a></p> <p><a href="#">Law n° 12.651/2012 – Brazilian Forest Code</a></p> <p><a href="#">Law n° 11.284, of March 2, 2006. – Forest public management and the creation of national fund for forest development (FNDF)</a></p> <p><a href="#">Law n° 9.985, of July 18, 2000. – Creates the national system for nature conservation units.</a></p> <p><a href="#">Decree n° 5.975 of November 30, 2006. Regulates other laws about</a></p>		<p>native vegetation in medium and advanced regeneration stages can be converted only in special circumstances. When suppression is permitted, the responsible must compensate the damages by reforesting an area of the same size, in the same biome, with the same ecological characteristics and in the same river basin.</p> <p>The Brazilian Forest Code (Law n° 12.651/2012) presents the concept of permanent preservation areas (APP) and legal reserve (RL), defining cases when suppression is acceptable and the minimum area that must be conserved in rural properties for each biome. In APP areas, suppression is only permitted for public interest (cases when the public power makes use of private property aiming for a greater public benefit, such as national security and infrastructure). For RL areas, the sustainable use of resources is permitted, but no conversion of native vegetation for other uses can take place. Native forests that are outside APP and RL areas can be converted for other uses, according to this law, subject to permit from the responsible body.</p> <p>Law n°. 9.985/2000 institutes the national system for nature conservation units, defining conservation categories and the interventions that shall be permitted for each category. According to the law, the classification in conservation units aims to protect natural areas from conversion and other kinds of damages.</p> <p>The management of public forests (Law n°. 11.284/2006), ruled by Brazilian Forest Service (SFB) aims to protect natural forests, especially in Legal Amazon, from illegal logging and deforestation of forests for other land uses.</p> <p>Decree n°. 5.975/2006 defines cases when suppression of natural forests is acceptable and the procedures that shall be followed in order to obtain a suppression permit.</p> <p>However, wood coming from conversion of native forests (clear cutting areas) to any other land use is not eligible for Controlled Wood sourcing.</p> <p>In Brazil, some cases of illegal conversion are related to illegal harvesting and wood selling. As previously mentioned, legal harvesting in natural forests must follow all requirements stated in Resolution CONAMA n°. 406/2009. The documents required to conduct the harvesting – PMFS and POA – may help assessing the legality of the wood being purchased and the conformity of the operations being conducted in the supply area.</p> <p>Both the DOF and the GF are documents used for tracking forest products from native species during transportation and warehousing. These documents can help to confirm the legality of the wood during these steps of the supply chain and also during commercialization.</p>
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	<p><a href="#">legal exploitation of natural forests.</a></p> <p><a href="#">CONAMA Resolution nº. 406/2009 – Technical procedures for the elaboration of PMFS</a></p> <p><a href="#">FAO – Global Forest Resources Assessment 2015 (2014)</a></p> <p><a href="#">Greenpeace – Blood-Stained Timber – Rural Violence and the Theft of Amazon Timber (2017)</a></p> <p><a href="#">IBAMA; MMA - Program for the Monitoring of Deforestation in Brazilian Biomes (PMDBBS) (2011)</a></p>		<p><b>Is the law enforced?</b></p> <p>The prohibition, however, does not impede illegal conversion activities from taking place, as can be seen in data disclosed in the biome deforestation report for the 2014-2015 period, released by the SOS Mata Atlântica Foundation. The report shows an increase of 57.7% in deforestation in comparison to the last period (from 18,433 ha in 2014-2015 to 29,075 ha in 2015-2016). In Legal Amazon, the Prodes project from INPE registered, for 2016, a total deforestation area of 7,893 hectares, an increase of 16% in relation to last year. The data shows that the deforestation process is systematic, with thousands of hectares being suppressed every year in both biomes. There is no up to date data about the suppression in other Brazilian biomes. However, the last data provided by IBAMA Remote Sensing Center (CSR) for the Program for the Monitoring of Deforestation in Brazilian Biomes (PMDBBS), show that the deforestation process has been systematic in all biomes as far as the data series goes.</p> <p>Organizations such as SOS Mata Atlântica and INPE help by generating information for the public authorities' inspection. The bodies responsible for the inspection and applying of penalties are Ibama, in the federal level, and the State and Municipal environmental bodies, in the State and Municipal levels respectively. Due to the country's extensive territory and the lack of resources by responsible bodies, as well as difficulties such as threats and violence associated to illegal logging in the Legal Amazon (as stated in the report Blood-Stained Timber, by Green Peace), the government has been unable to cease illegal activities. As shown by the previously mentioned reports on deforestation, illegal conversions are still a systematic and widespread problem.</p> <p><b><u>Assessment based on spatial data</u></b></p> <p><b>Is it possible to conclude that the spatial threshold (0.02% or 5000 ha) is met?</b></p> <p>Brazil has an area of more than 8.5 million km<sup>2</sup>, of which more than half is covered by native forests. Therefore, it is difficult to monitor illegal harvesting activities and the degradation of forests. As a result, environmental agencies resort to tools of remote sensing and geoprocessing to generate information related to deforestation of Brazilian biomes. We can cite as an example the systems of Deforestation Monitoring Project in the Legal Amazon - PRODES of INPE and the System of Alert of Deforestation - SAD of Amazon, both providing updated data about deforestation in</p>
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		<p>Legal Amazon. Therefore, it is possible to generate monthly reports about damage being caused to native forests, facilitating a focus of actions.</p> <p>The information generated, however, tends to be restricted to the area of Legal Amazon, concentrating on the arc of deforestation, as is the case of the systems cited above. As a result, other Brazilian biomes are neglected, and updated information about their levels of deforestation are scarce, nonexistent, or unavailable to the public. Furthermore, much of the data generated, because they originate in spatial analysis via the overlapping of images, do not distinguish between legal and illegal changes in the landscape. Therefore, it is not possible to imply if average net annual forest loss is within the acceptable thresholds defined by the indicator.</p> <p><b><u>Risk conclusion</u></b></p> <p>The updated data regarding the occurrence of deforestation in the Brazilian native forests are scarce or nonexistent for some regions. Only in the Legal Amazon region there are specialized monthly data updated. Thus, the most recent data from each region were used for the analysis of the indicator.</p> <p>In some regions, it was detected deforestation of native forests or it was not possible, due to a lack of data, to determine whether conversion took place. Analysis of deforestation through available data do not allow us to conclude if levels are within limits stipulated by the indicator. Therefore, the precautionary approach was adopted, and this indicator was considered specified risk.</p> <p>The following specified risk thresholds are met:</p> <p>(4) There is more than 5000 ha net average annual loss or there is more than 0.02% net average annual loss of natural forests in the assessment area in the past 5 years; AND (6) The applicable legislation for the area under assessment covers laws that prevent conversion, but the risk assessment for relevant indicators of Category 1 confirms 'specified risk'.</p> <p>Even though the threshold for converted areas can't be assessed, threshold (4) was considered met by adopting the precautionary approach.</p>
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## Control measures

Guidance note:

- Text marked with **(P)** is applicable exclusively for **planted forests**;
- Text marked with **(N)** is applicable exclusively for **native forests**;
- Text with **no marking** is applicable either for **planted forests** and **native forests**;
- Every time field surveys are required as a control measure, they must be conducted at least once in each CW supply unit during the time it is supplying;
- Every time consultation with stakeholders is required as a control measure, it must be conducted annually;
- Some verifiers are suggested, which does not exclude the possibility of using other evidences that prove to be pertinent.

Indicator	Control measures (M – mandatory / R – recommended)
4.1	<p>M (N) – Verify the existence of PMFS and POA for the current year, approved by the environmental agency;</p> <p>M (N) – Evaluate in the field and through technical documentation the fulfillment of the PMFS, including information on:</p> <ul style="list-style-type: none"> <li>• Authorized species;</li> <li>• Volumes;</li> <li>• Forest Inventory;</li> <li>• Conditions established for the PFMS.</li> </ul> <p>M (N) – Check DOF or GF with due validation;</p> <p>R (N) – Consultation with environmental agencies to verify if there are penalties on the supply units related to Controlled Wood, for example:</p> <ul style="list-style-type: none"> <li>• Areas embargoed by IBAMA;</li> <li>• Fines applied to the supply unit related to harvesting and forest transport activities.</li> </ul>

## Controlled wood category 5: Wood from forests in which genetically modified trees are planted

### Overview

According to the United Nations Food and Agriculture Organization (FAO), food safety is incorporated into the concept of biosecurity, understood as “the healthy and sustainable use, in environmental terms, of biotechnological products and applications for human health, environmental sustainability and biodiversity, in support of increasing global food security”. Therefore, countries have adopted the principle of precaution when dealing with genetic engineering processes directed at the modification of plant products to increase productivity and resistance. This occurs especially due to the limited understanding of the effects related to the use of Genetically Modified Organisms - GMOs.

In Brazil, the Ministry of the Environment is the government agency responsible for guaranteeing the country’s genetic biosecurity and for carrying out training courses in biosecurity of GMOs.

The National Biosecurity Technical Commission (CTNBio), linked to the Ministry of Science, Technology and Innovation, is the agency responsible for providing technical and advisory support to the Federal Government in issues related to the National Biosecurity Policy’s stance on the use of GMOs. CTNBio is also responsible for issuing technical norms and reports regarding the protection of the population and the environment. CTNBio approved in April 2015, following deliberations, the commercial use of H421 transgenic eucalyptus, making it the first authorization to commercially use a transgenic forest species in Brazil, even though there are no records so far of the commercial use of the transgenic variety mentioned.

### Risk assessment

Indicator	Sources of information <sup>7</sup>	Functional scale	Risk designation and determination
5.1 There is no commercial use of genetically modified trees.	<a href="#">National Technical Commission for Biosafety - CTNBio - Deliberation on the commercial release of transgenic eucalyptus (2015)</a>  <a href="#">Law nº. 11.105/2005 – Establishes security norms and inspection system for activities concerning GMO; Creates National Biosecurity Council – CNBS and the National Technical Commission for Biosecurity – CTNBio</a>  <a href="#">CTNBio Technical Decision nº. 4408-2015 – Commercial clearance for genetically modified eucalyptus H421 (2015)</a>	Plantations	The use of GMO is not legally prohibited in Brazil. Law nº. 11.105/2005 establishes biosecurity norms for GMO, creating the National Biosecurity Council – CNBS and the National Technical Commission on Biosecurity – CTNBio. There is an extensive legislation by CTNBio concerning biosecurity for research, commercialization and use of GMO. The commercial use of GMO trees is allowed with authorization of CTNBio, according to Normative Resolution nº. 05/2008, which defines norms for

<sup>7</sup> Click the text to access the respective source of information

	<p><a href="#">CTNBio – Genetically modified plants with commercialization permits (2017)</a></p> <p><a href="#">Normative Resolution CTNBio nº. 05/2008 – Commercial clearance for genetically modified organisms</a></p> <p><a href="#">MMA – Genetically Modified Organisms</a></p> <p><a href="#">Secretariat of the Convention on Biological Diversity - Cartagena Protocol on Biosafety to the Convention on Biological Diversity (2000)</a></p> <p><a href="#">CTNBio - Legislation on GMOs</a></p> <p><a href="#">CTNBio - Eucalyptus Commercial Liberation Process Event H421 (2015)</a></p> <p><a href="#">Civil Office – National Press – Union Official Journal</a></p> <p>There is extensive legislation covering GMO which can be accessed through the CTNBio (National Technical Commission on Biosafety) website: <a href="http://ctnbio.mcti.gov.br/normas-e-leis">http://ctnbio.mcti.gov.br/normas-e-leis</a></p> <p>Act nº 11.105, of March 24, 2005</p> <p>Decree nº. 6.925, of August 22, 2009</p> <p>Decree nº. 5.591, of November 22, 2005</p> <p>Normative Resolution nº. 01 of 20 June 2006</p> <p>Normative Resolution nº. 02 of 20 June 2006</p> <p>Normative Resolution nº. 03 of 20 June 2007</p> <p>Normative Resolution nº. 04 of 20 June 2007</p> <p>Normative Resolution nº. 05 of 20 June 2008</p> <p>Normative Resolution nº. 06 of 20 June 2008</p> <p>Normative Resolution nº. 07 of 20 June 2009</p> <p>Normative Resolution nº. 08 of 20 June 2009</p> <p>Normative Resolution nº o. 09 of 2 December 2011</p>	<p>commercial clearances of genetically modified organisms.</p> <p>CTNBio approved in April 2015, following deliberations, the commercial use of H421 transgenic eucalyptus for FuturaGene, a wholly-owned subsidiary biotechnology company of pulp and paper company Suzano, making it the first authorization to commercially use a transgenic forest species in Brazil. The Technical Decision nº. 4408-2015 confirmed the permit for "...clearance, commercialization, consuming and any other activities related to this GMO and its progenies". of the transgenic variety mentioned.</p> <p>Before that, however, there were no records of commercial plantings of the variety in question. Suzano can grant access to this technology to its outgrowers, following partnership contracts, without payment of royalties. However, even though Suzano owns the permit for commercial use, until now they don't have any GMO planted forests intended to commercialization, only for research purposes.</p> <p>There is indication that the system for control of the planting and testing of GM trees is well managed in Brazil. There is no indication that illegal or uncontrolled plantations are being established and, until now, there is no commercial use of GM trees.</p> <p>All cases involving requests for release are closely monitored by public agencies, involving public hearings and disclosure of the findings in the Union Official Journal. In this way, the processes become open and evident, being easy to follow any possibilities of expansion of the use of GMO. The authorization process for the H421 variety is included in the sources of information, showing the requirements of the process.</p> <p>Although new authorizations may be granted, wood from GMOs would not enter the market for at least 6 years, considering the cutting cycle. Therefore, there</p>
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	<p><a href="#">FuturaGene – FuturaGene’s eucalyptus is approved for commercial use in Brazil (2015)</a></p>		<p>is no imminent risk that GMOs can reach the market in the short to medium term, according with the understanding of specialists from the SDG. Any changes in the situation will be monitored by FSC Brazil and urgent revision will apply to the NRA if relevant. Suzano, the company that owns the technology, is an FSC certified company and has no intention of planting GMO forests for commercial use in the short-term. Therefore, considering there is no GMO plantations intended for commercial use in Brazil; that there is procedural restrictions and strict control over the authorization processes; and the commitment of the entities involved in controlling the expansion of GMO trees, the indicator was considered low risk for forest plantations.</p> <p><b>Risk Determination</b></p> <p>The following low risk thresholds apply:  (2) There is no commercial use of GMO (tree) species in the area under assessment,  AND  (3) Other available evidence does not challenge ‘low risk’ designation.</p> <p>Indicator 5.1 was considered as <b>low risk</b> for forest plantations.</p>
	<p><a href="#">MMA – Genetically Modified Organisms</a></p> <p><a href="#">CTNBio – Genetically modified plants with commercialization permits</a></p> <p><a href="#">Secretariat of the Convention on Biological Diversity - Cartagena Protocol on Biosafety to the Convention on Biological Diversity (2000)</a></p> <p><a href="#">CTNBio - Legislation on GMOs</a></p>	<p>Native forests</p>	<p>There are no records of genetically modified native species testing or commercial use, and no current legal permit for testing or production of genetically modified native species. As for a GMO tree to be used it has to be firstly produced in laboratory and afterwards planted on field; therefore, it is understood that this does not apply to native forests.</p> <p><b>Risk Determination</b></p> <p>Indicator 5.1 <b>does not apply</b> to native forests.</p>

	GMO Context Question	Answer	Sources of Information (list sources if different types of information, such as reports, laws, regulations, articles, web pages news articles etc.).
1	Is there any legislation covering GMO (trees)?	Yes	Genetically Modified Organisms (GMOs) - National Health Surveillance Agency <a href="http://portal.anvisa.gov.br/organismos-geneticamente-modificados">http://portal.anvisa.gov.br/organismos-geneticamente-modificados</a>
2	Does applicable legislation for the area under assessment include a ban for commercial use of GMO (trees)?	No, the commercial use of GMO trees is allowed with authorization of the responsible authority (CTNBio).	<p><a href="#">ACT. Nº. 11,105, of March 24, 2005</a> - Regulates items II, IV and V of § 1 of art. 225 of the Federal Constitution, establishes safety standards and mechanisms to oversee activities involving genetically modified organisms - GMOs and their derivatives, creates the National Biosafety Council - CNBS, restructures the National Technical Commission on Biosafety - CTNBio, deals with National Policy Of Biosafety - PNB, repeals Law nº. 8,974 of January 5, 1995, and Provisional Measure nº. 2191 of August 23, 2001, and arts. 5, 6, 7, 8, 9, 10 and 16 of Law nº 10,814 of December 15, 2003, and makes other provisions.</p> <p><a href="#">DECREE nº. 5.591, of November 22, 2005</a> - Regulates provisions of Law nº 11,105 of March 24, 2005, which regulates items II, IV and V of paragraph 1 of art. 225 of the Constitution and makes other provisions.</p> <p><a href="#">Normative Resolution nº. 01, of June 20, 2006 / CTNBIO / MCT</a> - Provides for the establishment and operation of the Internal Biosafety (CIBios) and on the criteria and procedures for application, issuance, review, extension, suspension and cancellation of the Certificate of Quality in Biosafety (CQB).</p> <p><a href="#">Normative Resolution nº. 18, of March 23, 2018 / CTNBIO</a> - The risk classification of GMOs and the levels of biosafety to be applied in activities and projects in containment with GMOs and their derivatives that involve the construction, cultivation, production, handling, storage, research, technological development, teaching, quality control and disposal shall comply with the provisions of this Normative Resolution.</p>
3	Is there evidence of unauthorized use of GM trees?	No, there is no evidence of the unauthorized use of GMO in the forest sector. The technology is restricted to experimental areas of large companies. The use is carefully monitored by responsible bodies and there are strict norms concerning this matter.	<p><a href="#">National Technical Commission for Biosafety - CTNBio - Deliberation on the commercial release of transgenic eucalyptus - 2015</a></p> <p><a href="#">CTNBio - Eucalyptus Commercial Liberation Process Event H421</a></p> <p><a href="#">CTNBio - Legislation on GMOs</a></p>

4	Is there any commercial use of GM trees in the country or region?	No, but there is a permit for commercial use of GM eucalyptus H421 by Suzano and their outgrowers. Until now the company has no GMO forests intended for commercialization.	<a href="#">National Technical Commission for Biosafety - CTNBio - Deliberation on the commercial release of transgenic eucalyptus - 2015</a>  <a href="#">CTNBio Technical Decision nº. 4408-2015 – Commercial clearance for genetically modified eucalyptus H421</a>  <a href="#">CTNBio – Genetically modified plants with commercialization permits</a>
5	Are there any trials of GM trees in the country or region?	Yes. There are tests conducted with GM eucalyptus by FuturaGene (eucalyptus H421) in São Paulo, Bahia, Piauí and Maranhão.	<a href="#">CTNBio – 181<sup>st</sup> meeting from CTNBio</a>
6	Are licenses required for commercial use of GM trees?	Yes, it is necessary to obtain a permit from CTNBio for GM trees commercial use.	<a href="#">Commercial release of genetically modified eucalyptus – (H421)</a>  <a href="http://anpei.org.br/anpeinews/ctnbio-aprova-liberacao-comercial-de-eucalipto-milho-e-soja-transgenicos/">http://anpei.org.br/anpeinews/ctnbio-aprova-liberacao-comercial-de-eucalipto-milho-e-soja-transgenicos/</a>  <a href="http://agenciabrasil.ebc.com.br/pesquisa-e-inovacao/noticia/2015-04/ctnbio-aprova-comercializacao-de-eucalipto-transgenico">http://agenciabrasil.ebc.com.br/pesquisa-e-inovacao/noticia/2015-04/ctnbio-aprova-comercializacao-de-eucalipto-transgenico</a>
7	Are there any licenses issued for GM trees relevant for the area under assessment? (If so, in what regions, for what species and to which entities?)	Yes, CTNBio conceded a permit for commercial use of GM eucalyptus H421, through Technical Decision nº. 4408/2015. Experiments are being conducted in São Paulo, Bahia, Piauí and Maranhão, but until now there is no commercial plantations.	<a href="#">CTNBio Technical Decision nº. 4408-2015 – Commercial clearance for genetically modified eucalyptus H421</a>
8	Which GM 'species' are used?	<i>Eucalyptus grandis</i> x <i>Eucalyptus urophylla</i> hybrid	<a href="#">CTNBio Technical Decision nº. 4408-2015 – Commercial clearance for genetically modified eucalyptus H421</a>
9	Can it be clearly determined in which MUs the GM trees are used?	Yes, the processes must indicate the areas and are listed on the CTNBio website.	<a href="#">CTNBio - Eucalyptus Commercial Liberation Process Event H421</a>

## Control measures

Indicator	Control measures (M – mandatory / R – recommended)
5.1	N/A.

## Annex: List of abbreviations

ABBREVIATIONS	DEFINITION
ADA	Environmental Declaratory Act
APA	Environmental Protection Area
APP	Permanent Preservation Area
AVC	High Conservation Values
AUTEF	Authorization of Forest Exploitation
AUTEX	Authorization of Forest Exploitation
CAR	Rural Environmental Registry
CCIR	Certificate of Rural Property Registration
CIMI	Indigenous Missionary Council
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CLT	Consolidation of Labor Laws
CNBS	National Biosafety Council
CNDIR	Negative Certificate of Debit of Rural Property
CNDT	Negative Certificate of Labor Law Debit
CNRA	Centralized National Risk Assessment
COFINS	Contribution for Social Security Financing
CONAMA	National Council of the Environment
CPI	Corruption Perception Index

ABBREVIATIONS	DEFINITION
CPT	Pastoral Commission of Land
CTNBio	National Biosecurity Technical Commission
CU	Conservation Unit
DANFE	Auxiliary Document of the Electronic Bill of Sale
DOF	Document of Forest Origin
EIA/RIMA	Environmental Impact Study and Report
FAO	Food and Agriculture Organization
FCP	Palmares Cultural Foundation
FGTS	Time of Service Guarantee Fund
FPIC	Free Prior Informed Consent
FSC	Forest Stewardship Council
FUNAI	National Foundation for Indians
GF	Forest Guide
GMO	Genetically Modified Organisms
IBAMA	Brazilian Institute of the Environment and of Renewable Natural Resources
IBGE	Brazilian Institute of Geography and Statistics
ICMBio	Institute Chico Mendes of Conservation and Biodiversity
ICMS	Tax on the Circulation of Goods and Services
ILO	International Labor Organization

ABBREVIATIONS	DEFINITION
IMAZON	Institute of Man and the Environment of the Amazon
IN	Normative Instruction
INCRA	National Colonization and Agrarian Reform Institute
INPE	National Institute for Space Research
INSS	National Social Security Institute
IPCL	Perception Index of Legal Compliance
IPHAN	Institute of the National Historic and Artistic Heritage
IPI	Industrialized Products Tax
ISA	Social and Environmental Institute
ITR	Tax on Rural Territorial Property
MAPA	Ministry of Agriculture, Livestock, and Supply
MCT	Ministry of Science and Technology
MMA	Ministry of the Environment
MTE	Ministry of Labor and Employment
NCM	Common Mercosul Nomenclature
NGO	Non-governmental organizations
NR	Regulatory Standard
ONU	Organização das Nações Unidas (United Nations – UN)
POA	Annual Operational Plan

ABBREVIATIONS	DEFINITION
PIS	Social Integration Program
PM	Management Plan
PMFS	Sustainable Forest Management Plan
PNPCT	National Policy for the Sustainable Development of Traditional Peoples and Communities
PRODES	Deforestation Monitoring Project in the Legal Amazon
RL	Legal Reserve
SAD	Deforestation Alerts System
SFB	Brazilian Forest Service
SICAR	National Rural Environmental Registry System
SINAFLOR	National Forest Origin Control System
SINPROFAZ	National Union of the State Attorneys of the Internal Revenue
SISCOMEX	Integrated Foreign Trade System
SISNAMA	National Environmental System
SNUC	National System of Nature Conservation Units
UN	United Nations
USAID	United States Agency for International Development
UPA	Annual Production Unit
VMA	Annual Minimum Value
WWF	World Wide Fund for Nature