

**Forest Management and Stump-to-Forest Gate Chain-of-Custody
Certification Evaluation Report for the:
AMCEL AMAPÁ FLORESTAL E CELULOSE LTDA – Amapá State, Brazil.**

**Conducted under auspices of the SCS Forest Conservation Program
SCS is an FSC Accredited Certification Body**

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00114P**

**Submitted to:
AMCEL AMAPÁ FLORESTAL E CELULOSE LTDA**
Rua Cláudio Lúcio Monteiro, s/n
68925-000 – Santana – Amapá State
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Organization of the Report

This report of the results of our certification evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the SCS website (www.scscertified.com) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of the company.

Partial Certification Process

This report corresponds to the certification of AMCEL - Amapá Florestal e Celulose Ltda, which is located in Santana, Macapá, Ferreira Gomes, Itaubal do Pírim, Tartarugalzinho, Amapá and Porto Grande, in Amapá state, in Brazil. AMCEL manages an area of 318.874,00 hectares in Santana Macapá, Ferreira Gomes, Itaubal do Pírim, Tartarugalzinho, Amapá e Porto Grande. Of this area, **199.608,67** ha is the subject of this certification and the remaining 119.265,33 ha corresponds to uncertified areas (See explanation under item 1.3.2). The area considered in the scope of certification consists of 93.737,44 ha of forested plantations, a section of conservation area of 100.667,35 ha and a section that is 5.203,88 ha corresponds to the company's infrastructure.

FOREWORD

Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace. This certification is valid for a five-year period; after this five-year period, a reevaluation will be conducted every five years for re-certification.

Scientific Certification Systems (SCS) – an FSC-accredited certification body – was empanelled by Amapá Florestal e Celulose Ltda (AMCEL) to conduct a partial certification evaluation of its forests, which are located at Santana, Macapá, Amapá, Ferreira Gomes, Porto Grande, Itaúbal do Pírim and Tartarugalzinho region in Amapá state, Brazil. These forest units are comprised by an area that is 199.608,67 ha in size, of which 93.737,44 ha corresponds to Eucalyptus plantation, 5.203,88 ha to the company’s infrastructure and 100.667,35 ha to conservation area with natural vegetation.

The interdisciplinary team of natural resource specialists collected and analyzed written materials, conducted interviews and completed a four-day field and office audit of the AMCEL property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team determined conformance to the FSC Principles and Criteria in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation to award FSC-endorsed certification to AMCEL, in the State of Amapá, for the management of its forest plantations. Certain pre-conditions (also known as Major Corrective Action Requests) that were stipulated by the audit team upon completion of the field audit were addressed by AMCEL and cleared by SCS prior to finalization of this report. In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site (www.scscertified.com).

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SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 FSC Data Request

Applicant entity	AMCEL – Amapá Florestal e Celulose Ltda.		
Contact person	Carlos A. A. Gonçalves Forestry Supervisor		
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Fax	+ 55 (96) 3281 8039		
Email	carlos.goncalves@amcel.com.br		
Website	www.amcel.com.br		
Certificate Type	Three block with a with a single management plan (FMU)		
Number of FMUs	11		
Number of FMUs in scope that are less than 100 ha in area	0		
100 - 1000 ha in area	4		
1000 - 10 000 ha in area	5		
more than 10 000 ha in area	2		
Location of certified forest area	São Bento	Itapoã	Bloco AMCEL
Latitude	01° 15' 10"	01° 55' 51"	00° 37' 36"
Longitude	-50° 49' 21,867"	-50° 56' 53,397"	-51° 04' 28,474"
UTM North	138461,14	213416,06	69271,32
UTM South	519719,93	505764,61	491702
Forest Region	Central Plateau and Geodetic Point in Amapá State.		
Total forest area in scope of certificate which is included in FMUs:	199.608,67 ha		
Less than 100 ha	0 ha		
from 100 to 1.000 ha	1.704,61 ha		
from 1.000 to 10.000 ha	18.548,00 ha		
More than 10.000 ha	179.356,06		
Tenure of the land	Private (100 %)		
Number of forest workers (including contractors) working in forest within scope of certificate	738 direct employees and 630 contractors		
Names of agrochemicals used	Fenitrothion, Glifosate, Isoxaflutol, <i>Bacillus thuringiensis</i> and Sulfluramide.		
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	100.667,35 ha		

Area of forest defined as High Conservation Value Forests (HCVFs)	100.667,35 ha
List of high conservation values present	AMCEL has defined all registered Legal Reserves and the Permanent Preservation Areas as High Conservation Areas up to the conclusion of fauna and flora survey and up to the definition of the attributes that will be preserved.
Total area of production forest (i.e. forest from which timber may be harvested)	93.737,44 ha
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	Same
List of main commercial timber and non-timber species included in scope of certificate (scientific name and common trade name)	<i>Eucalyptus</i> sp. (hybrids of <i>E. grandis</i> e <i>E. urophylla</i>), <i>Acacia</i> sp. e <i>Pinus</i> sp.
Approximate annual allowable cut (AAC) of commercial timber	1.000.000 tons of logs without bark/year 800.000 tons of chips
List of product categories included in the scope of joint FM/COC certificate and therefore available for sale as FSC-certified products (include basic description of product - e.g. round wood, pulp wood, sawn timber, kiln-dried sawn timber, chips, resin, non-timber forest products, etc.)	<i>Eucalyptus</i> Pinus and Acacia logs and chips

1.2. Forest Management Context

The company Amapá Florestal e Celulose Ltda belongs to Grupo Marubeni Corporation e Nippon Paper Industries, whose headquarters is at Av. Cláudio Lúcio Monteiro s/nº, Santana, Amapá, Brazil. AMCEL processes *Pinus* and *Eucalyptus* biomass that is exported to several countries.

All timber used comes only from the company's own planted forests.

The forest management plan, which has been developed by AMCEL for its FMUs, is applied throughout Amapá, and must be in conformance with national and state rules and legislation for the activity. The following laws, regulations, and rules must be complied with:

Pertinent Regulations at Federal Level:

- a) Brazilian Forestry Code (Law 4771/65, replaced by Law number 7803/89).
- b) Number 2.166-67 Provisory Measure from the twenty-fourth of August, 2001, that alters Law number 4.771/65 (Forest Code)
- c) Law related to the National System of Conservation Units (Law number 9.985/2000)

Pertinent Regulations at:

- a) Complementary rule number 5 from 18 of August, 1994, that determines in Amapá the Rule of Environmental Protection.
- b) Rule number 0702 of 28 of June, 2002 that relates to the State Forest Policy, types of vegetation in Amapá, and other provisions.

a) Pertinent Regulations at Local Level

- b) The company must pay ISSQN fee whenever it uses contractor's services.

The company must also pay all labor fees at federal level, which include the following:

- a) Social Security Fees
- b) FGTS Fee
- c) Union Contribution

1.2.1. Environmental Context

AMCEL's FMUs, which are subject of certification, are located in the Central Plateau of Amapá in the counties of Santana, Macapá, Porto Grande, Ferreira Gomes, Tartarugalzinho, Itauba do Pírim and Amapá. The FMUs are 600 m above sea level and they are about 700 km from the Atlantic Ocean. See Figure 1.

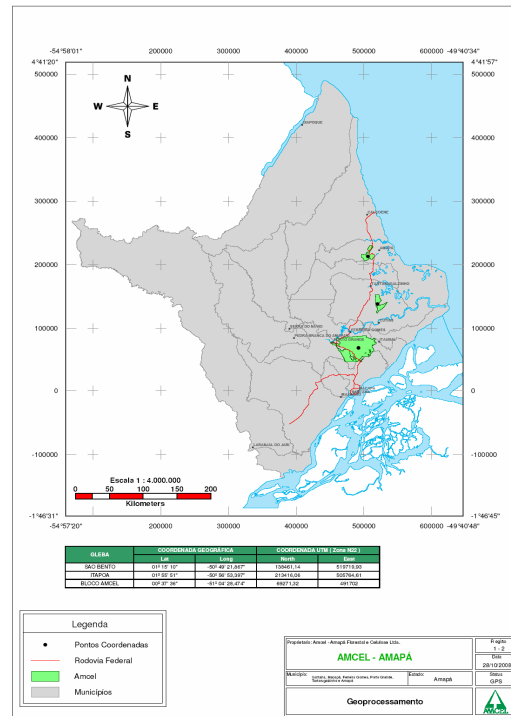


Figure 1: Geographic Coordinate Map

The State of Amapá has the following basic ecosystem types based on dominant vegetation: Cerrado (Savannah), Contact (transition Savannah/Forest), Pioneer Formations, (marine, alluvial formations) and Dense Tropical Forest (alluvial forest, sedimentary forest areas and sub mountainous forests). AMCEL's FMUs are located in areas where the Cerrado ecosystem prevails, inside the Amazon Biome. However, the areas experienced an increase in human settlement in 1970s and 1980s, mainly with the introduction of Pine plantations.

One of the main characteristics of the prevailing vegetation at the Porto Grande area (that corresponds to AMCEL's block) is the presence of *Pinus* and *Eucalyptus* planted forests (commercial plantations). The natural conditions of all properties that comprise the area of Porto Grande are highlighted by the prevalence of the Cerrado. The firm-ground forests, at the center of a network of small farms, cover a small area and are restricted to small fragments similar to the surrounding forest.

The forestry project under the scope of certification is comprised by an area of 199.608,67 ha, and more than 50.0% (100,667.35 ha) of it is comprised by legal reserves and permanent conservation areas; about 46.0% (93,737.44 ha) is forest plantation and 4.0% (5,203.88 ha) corresponds to the company's infrastructure. All forest management areas are mapped to scale (1:10.000) and are classified as follows: Timber Production Areas, Vegetation, Associated Ecosystem - Cerrado (Brazilian Savannah), Water Resources, Roads and Other Purpose.

The climate of the region, according to Köppen classification, is considered as type A, i.e., humid tropical; the average temperature in the coldest month is 18° C. Part of AMCEL's property is located in the AM category, or monsoon climate, with excessive rain precipitation for a few months

and a period of dryness characterized by precipitation of less than 60 mm; for the AW category, the climate is warm and humid, has a rainy season in the summer (November to April), and a dry season in the winter (May to October). According to NIMER classification, the climate in the region is Warm Sub Tropical, with a climate variability of one or three dry months. The average annual precipitation in the region is 2.100 mm with a rainy season from January to July. The average minimum annual precipitation in the region is 1500 mm and the average maximum is 2900 mm. The water shortage lasts from September to November and reaches 403 mm

The prevailing Cerrado region (Brazilian Savannah) ranges from flat to slightly wavy and the geology is characterized by the Barrier Formation. Soils with latossolic B horizons, such as Rocky Plintossols and Yellow latossols deserve mention because of their significant geographic extension. These types of soils are present in the Cerrado and in some forested areas, originating from sandy-clay sediments of the barrier formations (Tertiary/ Quaternary). The flat or slightly wavy topography of these soils facilitates mechanized agriculture and plantation forestry. On the other hand, the areas characterized by wavy topography have a tendency to erode because soil structuring is weak.

There is an extensive drainage network in AMCEL's forest areas. A significant portion of this undergoes intermittent dry spells during the summer.

1.2.2. Socioeconomically Context

The State of Amapá spans 143.453,7 Km²; 88.63% of it is under the jurisdiction of government land distribution and management programs (INCRA with 66.26%; IBAMA with 14.20% and FUNAI with 8.17%) and 11.37% is under the State's jurisdiction, which represents an area of 1.632.297 ha distributed in farmland in several counties, except in Oiapoque, Serra do Navio, Ferreira Gomes and Cutias.

Amapá was the very first Brazilian state to have its Indigenous lands demarcated and has a significant number of protected areas and indigenous reserves totaling 40.000 Km², that correspond to about 30% of the state's surface.

AMCEL's plantation areas suffered human intervention in the 1970s and 1980s, mainly with the introduction of Pine plantations. AMCEL's rural area covers seven municipalities of Amapá and its management area includes 11 estates that have been registered in the following municipalities: Macapá, Ferreira Gomes, Tartarugalzinho and Amapá.

Seven counties are affected directly by AMCEL's physical occupation of the forest project area and generally by socio-economical aspects of the region: Ferreira Gomes, Porto Grande, Itaúbal do Pírim, Macapá, Santana, Tartarugalzinho and Amapá.

The results gathered at the most recent census conducted by IBGE indicate that the state, in the year 2000, had a population of 477.032 inhabitants. Macapá and Santana counties contain 76% of the state's population.

Amapá's economy depends directly on the exploitation of natural resources, characterized primarily by the extraction of raw material, chemical products and semi-finished products. The primary sector is characterized by a low-technological level, restricted credit and low population. The extractive activities (Brazil nuts, seeds for the extraction of vegetable oil, fruits, açai, and heart of the palm) are expanding due to low governmental investment in the development of other economic activities. This scenario is reflected in smaller cities such as Tartarugalzinho, Amapá, and Itaúbal do Pírim, Ferreira Gomes and Porto Grande. The secondary sector is concentrated in mineral-exploitation activities, construction and industry, which has a limited capacity due to low offer of energy and infrastructure. There are some large companies, though, but they are the exception. The tertiary sector, including the public administration and service industries, is the main part of Amapá's economy.

For more than two decades, the Gross Domestic Product (GDP) has demonstrated that, except the growing of mineral and timber exploitation-related industries, the economy of the state has not

changed much at all. It still relies excessively on the public resources, since the primary and secondary sectors that have a bigger multiplying and synergetic effect, remain insignificant. The participation of the Tertiary sector reached 86.7% of Amapá's GDP in 2000.

The growth in the state's GDP was, in the period from 1996-2000, 20.3 %. This represents an annual average of 4.74%, and it is a consequence, mainly, to the increase of service provider and public administration-related activities (23.74% and 34.07%, respectively, in 1996, to 26% and 40.48%, respectively, in 2000). Both Primary and Secondary sectors have had a reduction in their participation in their share in the GDP, from 9.20% and 9.96%, respectively in 1996 to 4.61% e 8.69%, respectively, in 2000.

For the active population (eighteen years old or more), 36.9% are younger than seven year old. The people in charge of homes have greater participation or contribution in the GDP formation: 55.5 % have less than seven years of study, i.e., the people who did not have access to secondary school. The low education level and lack of job opportunities have hindered the productive capacity of the population that is currently unemployed or under-employed; this situation also restricts their access to the marketplace and to jobs that provide a better income. There are difficulties related to changes in technologies and attracting investments to the state. These factors are reflected in the increasing level of poverty in the state; according to 2000 Demographic Census, 42.1% of the population (198,341 inhabitants) is below the poverty line.

In order to evaluate the quality of life of the population that live in the vicinity of the planted areas, some information gathered during the 2000 Demographic Census was considered. Amongst them is access of the population to some benefits that are generated by the company in terms of health and informal education. There are also benefits related to direct and indirect employment that improve the local economy and that enable the State of Amapá to meet the standards of the worldwide marketplace, and improve the level of income, job creation and the general social conditions.

The activities developed by AMCEL that may degrade the environment are monitored and the significant environmental impacts are controlled by preventive and corrective measures, which may affect the local population, mainly the small communities that survive from the exploitation activities. However, so far, there has never been such a case. The Cerrado is naturally drought-prone and therefore water shortages are a common social and environmental concern.

The treatment of solid waste is complex because urban populations have to collect it and find the proper disposal of their garbage, which may have a fundamental role in the pollution of soil, air, and water resources. Improper garbage disposal is associated with many diseases that affect the population.

From all the problems mentioned above, we can conclude that the municipalities mentioned must deal with several social issues.

1.3 Forest Enterprise

1.3.1. Land Use

AMCEL manufactures *Pinus and Eucalyptus* chips and biomass that is exported to several countries. The timber used comes from the company's own plantations.

AMCEL's rural area is spread throughout seven municipalities of Amapá. The Chip Mill is located at the Municipality of Santana, which is about 120 km from the rural area. See map below.

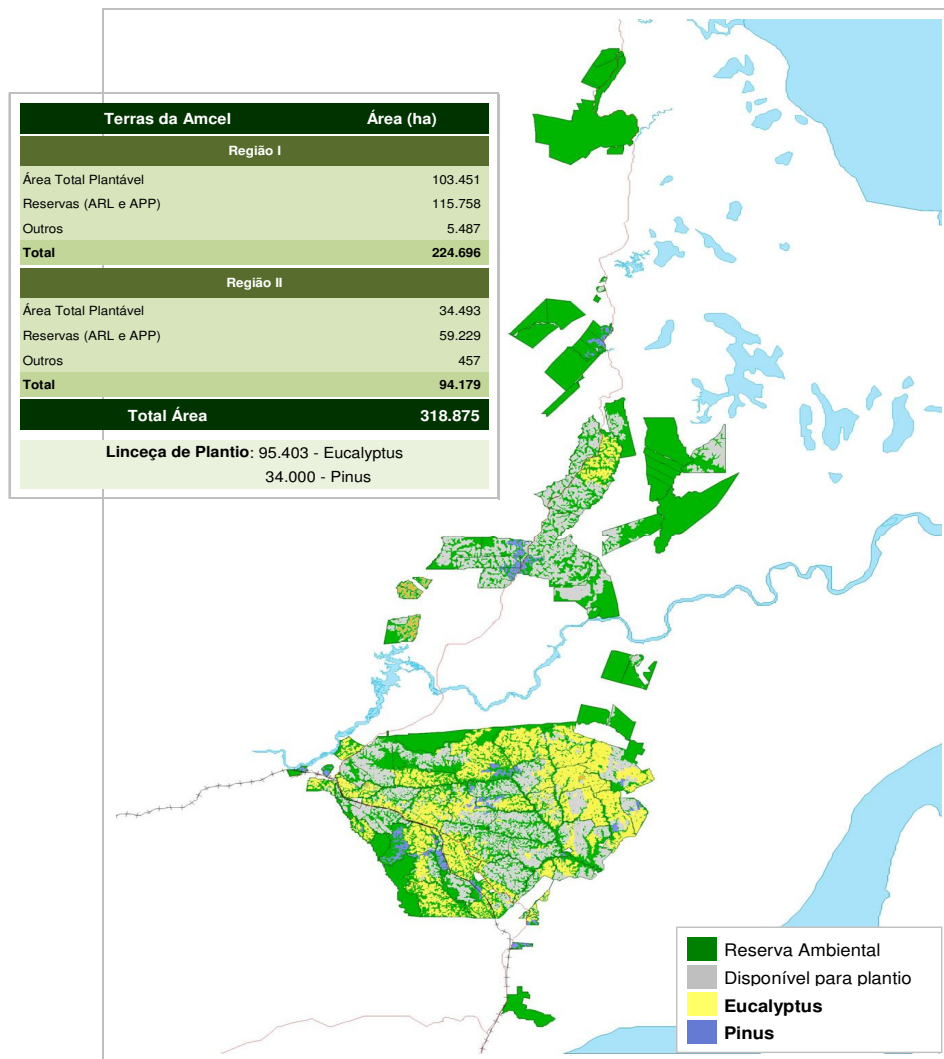


Figure 03: Map that shows AMCEL's properties.

All AMCEL's actuating area and its vicinity is characterized by forest and exploitation activities, and it is seldom used for farming activities.

The vicinity areas are comprised mostly by public forest (areas that belong to the country); there are some communities and few private properties, and the land tenure is pacific. However, some neighbours are dissatisfied with the company's forest management development. The potential socio environmental impacts that must be considered were raised as the public concern at the Stakeholder Consultation. See item 3.3.5.3.

1.3.2. Land outside the Certification Scope

AMCEL has opted to submit part of its forests to be evaluated in order to be certified by FSC. The option for partial certification is due to the process of regulation of some areas by INCRA, whose geo-coding process is under way. These areas correspond to 119.265,33 ha, and it will be analyzed in the future for possible inclusion of it in the certification scope.

1.3.3. Control System – Source, Follow up and Identification of Forestry Products

This item describes the procedures that have been adopted by AMCEL, demonstrating the precautions with the products that have been acquired - from the harvesting site up to the moment the logs are unloaded at Santana 's mill woodyard, Amapá, or when they are delivered to the market. It is essential that forest manager demonstrate that there is no possibility to contaminate the timber sourced from certified areas with the one that had been sourced from uncertified areas. The company is in conformance with this requirement and all FSC Chain of Custody criteria are met.

AMCEL has provided the SCS assessment team a description of the procedures mentioned on item 1.3 Section A from this report, which deals with identification and traceability of timber.

1.3.3.1. Risk Assessment – Contamination of FSC-certified Products with Uncertified Ones

As it is a closed area with Eucalyptus, Pinus and Acacia plantations that belong to the own company, and due to the fact that trucks are allowed to leave a farm only in possession of an invoice, there is no possibility to contaminate FSC-certified timber with uncertified one, and there is no possibility to not know the source or sector from where the timber has been harvested from. Moreover, the certified areas have not been planted yet, or have been recently planted and the harvest is estimated to begin from 2013 on, when all areas will have been submitted to assessment and will probably be certified.

1.3.3.2. Description of the Logs Control System

AMCEL has detailed procedures and computerized controls to deliver the timber to the mill in Santana, which defines the harvesting areas beforehand. All timber that is delivered at the mill has the corresponding source identification.

1.3.3.3. Chain of Custody Final Link

For AMCEL, the Chain of Custody system finishes when the logs arrive at Santana mil. When the logs or forest residues are sold to third parts, the Chain of Custody system ends when this timber leaves the FMU.

1.3.3.4. Visual Identification and Final of the Chain of Custody System

There is no visual identification for the FSC-certified timber and the invoice is the final documentation, which mentions the FMU and the sector from where chips, biomass or logs have been sourced from. The invoices describe the quantity, forestry species and the Management Certification/ Chain of Custody certification code.

1.4 Management Plan

1.4.1 Management Objectives

AMCEL's short, medium and long term forest management objectives have been established in order to ensure both sustainability and enterprise competitiveness to guarantee the accomplishment of the activities that have been planned, forest productivity, social improvement, return on investment and environmental quality of the areas the company works in, more specifically in terms of:

- Continual improvement of the manufacturing process in order to prevent pollution;
- Always work in conformance with the existing legislation and other applicable requirements;
- Contribute to the conservation and preservation of biodiversity and the values associated with it, such as water resources, soil, unique ecosystems, and preserving the ecological function and integrity of the forest.
- Enable the forest workers to develop their activities in a professional, environmentally-friendly, safe, and responsible manner.
- Always working in conformance with Forest Stewardship Council (FSC) Principles & Criteria, ensuring a commitment to the sustainable development of the region with ethic and respect to communities, clients, shareholders, suppliers, employees and conservation of the environment.

1.4.2. Forest Management Composition

The areas included in the scope of the certification include 11 estates that have been registered in Macapá, Ferreira Gomes, Tartarugalzinho and Amapá public notary's office, according to the table below.

Table 1: Distribution of project Area, per Registration (ha)

Estate Name	Public notary's office	REGISTRATION	TOTAL AREA	LEGAL RESERVE AND PERMANET PRESERVATION AREAS	INFRA-STRUCTURE	PLANTATION
AMCEL	F. Gomes	21	163.706,06	65.156,55	5.189,67	93.359,84
Ret. Peixe-Boi	Macapá	2.168	481,76	158,10	6,53	317,13
Ret. Alvorada	Macapá	2.251	181,48	165,00	2,00	14,48
Grj. Surucuaá	Macapá	3.852	101,37	49,70	5,68	45,99
SUBTOTAL AREA PORTO GRANDE			164.470,67	65.529,35	5.203,88	93.737,44
Ret. N.S. Desterro	Tartarugalzinho	23	1.200,00	1.200,00	0,00	0,00
Faz. Mutum	Tartarugalzinho	24	1.200,00	1.200,00	0,00	0,00
Faz. Sta. Catarina	Tartarugalzinho	25	1.489,00	1.489,00	0,00	0,00
Faz. Sta. Izabel	Tartarugalzinho	26	940,00	940,00	0,00	0,00
São Bento	Amapá	47	5.400,00	5.400,00	0,00	0,00
Faz. Sta. Cruz	Tartarugalzinho	35	9.259,00	9.259,00	0,00	0,00
Faz. Itapoã I	Amapá	214	15.650,00	15.650,00	0,00	0,00
SUBTOTAL AREAS ITAPOÃ AND SÃO BENTO			35.138,00	35.138,00	0,00	0,00
TOTAL			199.608,67	100.667,35	5.203,88	93.737,44

All the areas mentioned are legalized and are in geo-coding process in order to comply with the legislation (Law 10.267/01) at INCRA.

1.4.3 Silvicultural Systems

Sustainable Forest Management deals with the study, development and application of modern techniques to manage forest plantations in order to improve the quality and productivity of the timber in balance with the economical development and maintenance of the natural resources.

AMCEL has identified several factors that affect production, mainly related with the availability of water, light, and nutrients for forest growth and production. In order to increase and keep productivity in successive rotation, in-depth knowledge of these factors and the impacts to the environment are necessary. The management and monitoring process is outlined in the flowchart below:

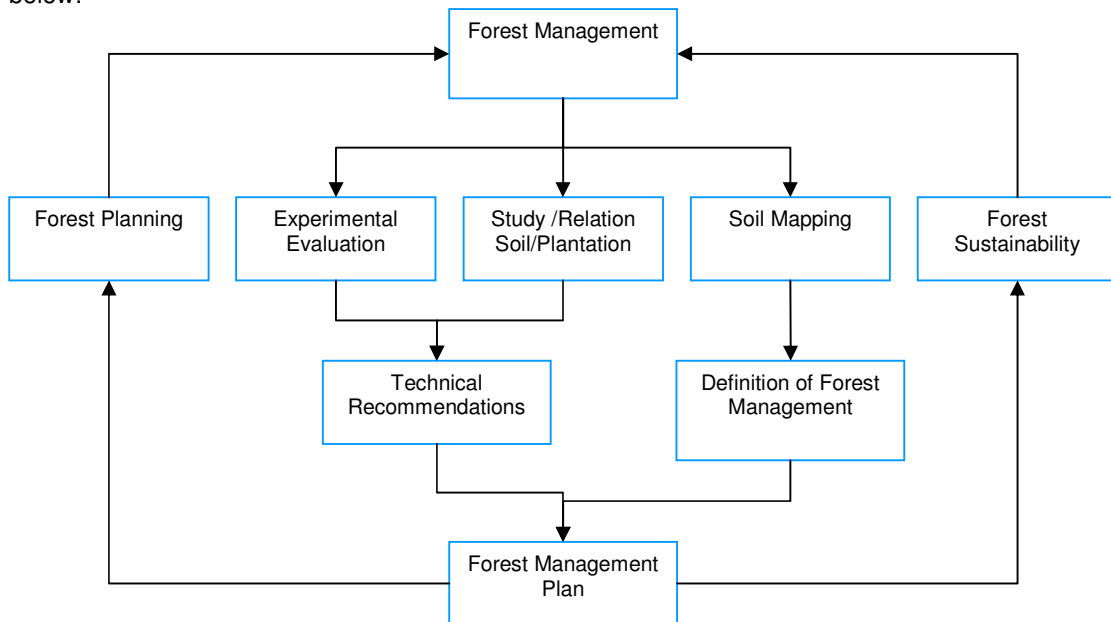


Figure 04. Forest Management General Scheme

The use of certain silvicultural techniques and the development of research projects have provided significant improvements in forestry activities (both operational and productivity). This process provides the Average Annual Increment that helps to control and estimate the inventory of timber, and indicates the management intervention and the productivity that will be necessary.

From the second year of the plantation onward, the development of the forest is tracked through harvest time during a continuous annual inventory. This process results in an Average Annual Increment that indicates the management activities that will be conducted and controlled, projects the inventory of timber, and demonstrates the future productivity.

AMCEL has developed well-defined operational procedures for all silvicultural-related activities. One of the company's objectives is to reduce costs and respect socio-environmental attributes. These procedures are the cornerstone for the company's forest development.

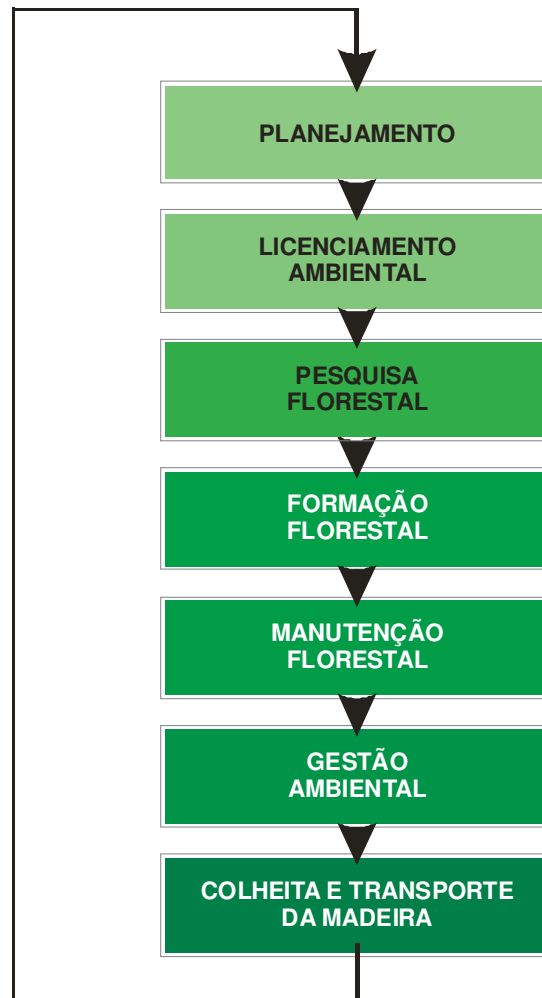


Figure 05: Forest management operational flowchart.

1.4.4. Management Systems

SILVICULTURE

Seedling Production: Most of AMCEL's seedling production is *Eucalyptus*. The seedlings are produced via an asexual manner (micro propagation) in a micronursery with sand channels (70%) and hydroponic channels (30%). It is estimated that it will be possible to produce 100% of the seedlings in sand channels through July 2009. The seedling nursery located in Tartarugalzinho has a capacity to produce 14 million seedlings a year of *Eucalyptus*. Afterwards, the seedlings are placed under shade, and undergo growth and acclimation stages (adaptation period before planting in the field). The company produces a small quantity of *Pinus caribaea hondurensis* seedlings via seeds that are planted in areas that have not been submitted to FSC certification. Its main objective is to maintain a seed bank in order to ensure a minimum quantity of timber to be planted in the future.

The seedlings are developed via an asexual manner (micro propagation) at Tartarugalzinho's Seedling Nursery, which has the capacity to produce 14 million *Eucalyptus* seedlings/ year.

Soil Preparation: The soil is prepared with either a tire or crawler tractor equipped with a subsoiling device that is meant to break possible compacted and obstructed layers, which are employed to a 60 cm depth only in the plantation area and in level. The fertilization at the soil preparation stage is comprised by the application of calcium and phosphates. Reactive natural phosphates sourced from Algeria 's sedimentary rocks (djebel-onk) +/- 29% p2o5 mineral complex.

Plantation: AMCEL's plantations may be planted either manually and/or by machine. Operations such as fertilization with NPK, herbicide applications, replanting, ant elimination and irrigation are conducted as necessary.

Monitoring and Ant Elimination: The implementation of control measures during the planting and maintenance of forests is meant to control leaf-cutter ants in order to prevent damage to the plantation both in initial and advanced stages. The operations are carried out with poison to kill ants – from site preparation to harvest.

The control of leaf-cutter ants living in perennial mounds is done continuously, mainly in Eucalyptus reforestation areas, where they are considered the number one pest. The success of control depends on the basic knowledge of ant biology, behavior and taxonomy, and the choice of the most efficient and adequate method for every situation.

1. Monitoring of Leaf-Cutter Ants through Visual Observation

The areas planted with *Eucalyptus* spp. are monitored through forestry staff. When leaf-cutter ants are detected, the incident is entered into a database related to forestry health problems.

2. Control of Leaf-Cutter Ants

a) Front Tackle

The application of pesticides is done prior to the plantation for up to 180 days, using poisoned bait or fumigation.

b) Maintenance

Plantations that are 12 months old or more are controlled annually based on the results of the monitoring program, in accordance with specific procedures.

c) Reapplication

Pesticides are reapplied between five to fifteen days after planting, and in other periods, according to the infestation level, using preferably fumigation, or baits. It may be done simultaneously with replanting.

d) Observations / Concerns

- Control must be conducted in the drought season.
- If it rains, control of ants using bait shall be restarted when the ant hills return to their activities and when the moisture of the area allows application of bait.
 - When other operations (e.g., grading, herbicide application) coincide with ant control measures, ant control will be completed first. Once all of the bait is set, another operation can begin within 5 days.
- Grain baits are a priority, and fumigation is only used in small, undeveloped anthills or if control is required during the rainy season.
- Control shall be carried out in sections near plantations up to one year old.
- In adjacent areas, control shall occur in a 30 to 70 cm wide area.
- Pesticide packaging materials will be triple-rinsed and disposed of properly.
- All employees shall wear necessary safety protection devices and the safety regulations shall be obeyed.

Maintenance Weeding: The control of invasive species begins with the application of herbicide prior to planting in an area using light tractors equipped with 12-meter long bar pulverizers. During mechanized planting or right after manual planting, a pre-emergent herbicide is applied in a strip that ranges from 1.0 a 1.20 m in length. It is applied along the planting line in order to reduce the germination of invasive species' seeds.

Re-fertilizing: Two re-fertilizing procedures are done. The first one occurs from the third to the fifth month of planting and the second one takes place after the twelfth and eighteenth month of planting. Both operations are done at the beginning of the rainy season and are of NPK fertilizer.

Prevention and Fighting of Forest Fires: If there is eventually any forest fire, AMCEL has an Emergency Plan intended to implement corrective and mitigating actions.

TIMBER HARVEST

AMCEL's forest harvesting is mechanized with the objective of supplying chips to the mill in Santana – AP. The harvesting activity includes the following stages:

Pre-harvest brush control: First of all, the area where the Eucalyptus will be harvested is cleaned. This operation is done manually using machete or scythe. This procedure is not used in the *Pinus* plantation areas.

Harvesting: The Eucalyptus plantation forest management system indicates that there is a six/seven-year rotation, in which a low cut is performed with a Feller Buncher, which has a 45 t/h-capacity.

Limbing: Limbing of trees is done using a machete or chainsaw

Skidding: transporting logs to main logging roads using a type of skidder

Cross-Cutting: Cross-cutting is done with equipment that is 5.5 m or 11 m length, depending on the type of timber.

ENVIRONMENTAL PLANNING

According to AMCEL's forest management guidance, environmental planning is meant to guide and supply technical information to the areas of operation within the FMUs in order to comply with existing legislation and environmental concepts that are applied to the company's different activities.

a) Classification of Conservation Areas

The areas for environmental preservation are identified and quantified. Permanent preservation areas are identified in maps and are demarcated in the field in order to prevent any type of impact on them.

b) Protection of Native Forest Fragments

All the fragments, independent of their size, must be included on the map in order to ensure the mitigation of the management effects at their boundaries.

c) Methods to rehabilitate conservation areas

Rehabilitation measures are recommended for conservation areas, including planting of native species, encouraging natural regeneration, etc.

ORGANIZATIONAL STRUCTURE OF THE FORESTRY DIRECTORY

ORGANOGRAMA - DIRETORIA DE OPERAÇÕES

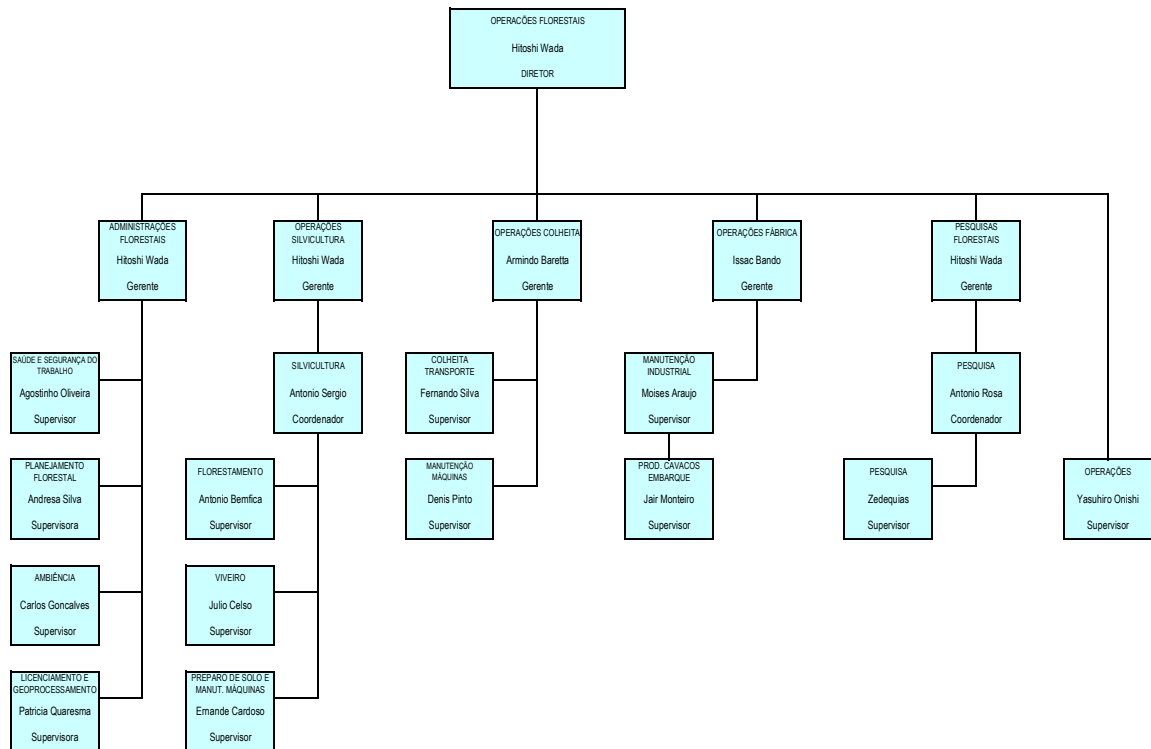


Figure. 06. Organizational Structure of the Forestry Staff

1.4.5 Monitoring System

AMCEL has developed the following procedures:

- Rational use of pesticides and other agrochemicals.
- Disease and pest monitoring (both at the seedling nursery and the plantation areas)
 - Leaf-cutter ants
 - *Costalimaita ferruginea* and some other species of defoliating caterpillars.
 - Invasive species
- Accidents at work, with or without the necessity of the victim to discontinue work, including direct employees and contractors.
- Workforce altercations.
- Compliance with the current work and tributary regulations of the contractors is inspected.
- Flora (remaining parcels)
- Threatened fauna
- Environmental Education Project (ecological trek, visitation).
- Watershed Environmental Monitoring System,
- Monitoring and Restoration of degraded areas.
- Control of forest fire at the FMU level, the starting point of the fire, and the area affected by it.

- Forest productivity in volumes measured and production forecasts.
- Operation yield
- Quality of seedling plantation (mechanized, semi-mechanized and manual).
- Social impacts
- Soil fertility
- Erosion processes
- Archeological sites
- Drinking-water analysis
- Noise monitoring near property boundaries
- Residue management
- Emergency plan
- Farm maintenance

a) Watershed Environmental Monitoring System

Watersheds are the focus of the environmental monitoring activities, and it concentrates in the following:

- Verification of hydrological effect (quality and quantity of water) and biochemical effect (nutriments biogeochemical balance) caused by forestry activities;
- Identification and test of hydrologic indicators of sustainable management forestry plantations, and
- Establishment of physical models that may help to determine and generalize the results.

The hydrological response of the watershed is considered an important indicator of the hydrological processes and it is interpreted as a behavior of the watershed according to a given rainfall, which indicates the quality of the soil management (conservation of its hydrological functions).

Considering the different Edapho-climatic conditions of the experimental watershed, the integrated analysis of the results has contributed for the correct equalization of the forest management practices in search for sustainability:

- Establishing the hydrological indicators of sustainable forest management activities, including their levels and taking into account the instant comparison of the result of a similar forest activity (shallow cut, for example) related to a hydrological parameter that had been obtained at different Edapho- climatic conditions in the country.
- Establishing physical models of the functioning of the watershed in terms of direct drainage generation, hydrological response and rainfall, hydro balance, biogeochemical cycle of nutriments and loss of the soil.
- Contributing to improve the continuous forest management practices in search for sustainability.
- Contributing to clarify the environmental controversy that involves mainly Eucalyptus plantations.

AMCEL has two spillways that have already been installed, one of them is at Rio Matapí watershed, in Porto Grande municipality and the other one has been installed at Rio Pedreira, in Ferreira Gomes municipality. A third spillway will be installed in a watershed in a Cerrado area that is without the influence of the plantation.

b) AMCEL's properties Fauna and Flora Inventory Project.

This project has been developed in order to create AMCEL's properties Fauna and Flora Inventory Project. These biological inventories are meant to improve the knowledge in Amapá biodiversity, a region that has a high-biodiversity concentration and that has not been studied yet; the inventory will also provide background information to elaborate forest management plan for the areas that have been assigned as Preservation Zones.

c) Plans to Control Areas that have Initial Erosive Process

The objective of the Program to Control Erosive Process is to implant controlling measures of the erosive process at spots that are chosen inside the company's area. The recovery project is to be elaborated in the first semester of each year, and it is to be implanted in the second semester of

the same year. These spots may be altered if it is eventually necessary to give priority to another erosive process that has not been included in the list.

The elaborated plan is meant to provide guidance in the annual action to curb the current erosive process in order to prevent water courses silting up.

The results obtained have been satisfactory in the control of erosive processes and to recover the areas that presented advanced erosive process.

d) Monitoring of Superficial and Subterranean Water Seedling Nursery

The system is comprised by wells that are used to monitor underground water and to collect superficial water, which help in the monitoring of the seedling nursery water quality.

Mill: For the chipping mill, the system that has been installed is comprised by monitoring wells that are used to monitor the underground water quality of this area.

e) Monitoring of Santana's Effluent Area

The effluent that is generated by the washing machines, equipment and diesel vehicles at the area reserved for washing at Santana is detoured to a system where the water is taken to a channel, to a residue sedimentation box and to a box that separates water and oil. A sampling is carried out from time to time and it is headed for analysis in order to verify whether it is in conformance with the current legislation or not.

f) Monitoring of Archeological Patrimonies

The objective is to identify the spot, register and recover the archeological patrimony that is present at the areas that are directly affected by the enterprise.

g) Drinking Water Analysis

The drinking water is analyzed periodically in order to monitor the quality the water treatment system, according to the current legislation.

h) Combustion Gases Emission Monitoring

All diesel vehicles are monitored – both the company's and contractor's freight- with the objective to control the emission of dark smoke and to comply with the current legislation.

i) Residues Management

The company has determined procedures for the residues management that are generated at AMCEL's operational and administrative areas, and the program provides guidance to the registration, handling, temporary storage and correct disposal of residues.

j) Evaluation of the Noise Level at Inhabited Areas

The field, reforestation and harvesting-related activities are monitored when the equipment/machines are used at a distance lower than 300 m from the inhabited areas.

k) Emergency Situation Plan

AMCEL has developed an Emergency Situation Plan that defines the procedures that must be followed in emergency situations in order to minimize the potential risk of personal injuries, property and environmental damages. The possible emergency situations are the following:

- Forest fire
- Leakage and spillage of oils and fuels
- Leakage and spillage of agrochemicals.

l) Farm Maintenance

AMCEL has developed operational procedures to control the entrance of non-authorized personnel/or institutions at its properties and that may start fire, cut native or planted trees, build roads, remove sand, pebble, dispose garbage, such as old tires, hunt and practice predatory fishing, build houses and ranch in permanent conservation areas and legal reserves and people that may cause personal, environmental and property damages.

m) Controlling and Monitoring of Invasive Species

Biological invasion takes place when animal or vegetal exotic species are introduced in a given environment, gets adapted to it, establishes there, begins its propagation and dominates the native species, and consequently, suppress them, causing biodiversity losses and alterations in the natural ecological cycles. Not all exotic species introduced in other environments are considered invasive species. The problem is not linked to the number of invasive species present in a given area, but to the level of aggressiveness and domination of the native species.

AMCEL is aware of the negative impacts that some invasive species may cause to the environment. AMCEL is committed to prevent, control and eradicate the invasive species and give priority to the Legal Reservation Areas and Permanent Conservation Areas. The invasive species that are inside the company's commercial areas are eliminated during the soil preparation and maintenance procedures.

n) Fauna Monitoring

The fauna survey that has been conducted by AMCEL include the reptile, amphibious, mammals and bird communities at the different types of ecosystem present at the area.

The fauna has bio indicators groups (animals that allow detect environmental alterations) that have been used by AMCEL to monitor the impact of forest management activities in the biodiversity at the areas the company works in. This monitoring is conducted by asymmetrical observation: when the observer identifies the animal, it makes the registration in a formulary called "Wild Animal See-Sighting Table".

1.4.6. Estimate of Maximum Sustainable Yield

The use of modern silvicultural techniques (seedling production, plantation and farm management), and the continuous development of clones that are more tolerant to long dry spells - and that are more productive - have provided significant improvements in the forest activities, compared to the conventional methods previously used.

AMCEL keeps a permanent research and experiment staff in order to obtain technological improvement, and consequently, improve continually the company's forest plantations. The staff is concentrated in the following fields: genetic improvements, cloning and seedling production; soil preparation, fertilization and conservation, plants nutriment; control of weeds and pest and disease.

At short term, the genetic improvement is obtained by acquisition and test of improved materials (clones and seeds) and the further selection of those that demonstrate a better adaptation to the climate conditions from AMCEL's plantations areas.

Programs to develop genetic improvements are developed at short and long term in order to create local breeds by hybridization and intra and inter specific breeding.

At the cloning and seedling process, the micro propagation vegetative and root cutting techniques are improved in order to obtain high-quality seedlings to supply the plantation program.

The company's forest management is concentrated towards the maximization of the forest productivity and to ensure the sustainability of the natural resources involved – particularly the soil. To do so, the researches involve the following: mapping and analysis of the cultivated soil; improvement of the minimum soil cultivation system, the correct application of fertilizers in order to provide excellent nutriment conditions to the Eucalyptus plants to ensure the productivity both at the moment and in the future.

The minimum cultivation practices adopted by the company have reduced the problems related to the excessive soil excavation; this technique has a positive reflection in the reduction of erosive and silting up processes of water courses because of less sediments generation. The practice to

burn forest residues has been eliminated and it has been replaced by techniques that allow the incorporation of this biomass in the soil, which improves the structure and the fertility of all the planted area.

Moreover, the advent of techniques to improve the plants, including brand new genotype tests in different type of soils associated with fertilization practices that are adequate to forest cultures have enabled an advance in the plantations productivity, and it has provided significant economical revenue for the company.

The evolution of the company's plantations productivity is a reflection of the effort that has been applied in cloning technology and genetic improvement. See table 2.

Table 2. Evolution of plantation productivity – Annual average growth (IMA).

	Years				
	2000-2004	2005	2006	2007	2008
Production Estimate Volume (m³/ha/year)	18,5	21,0	23,0	26,0	27,0

The control of weeds, pests and diseases is conducted based on the integrated forest management principles, that says that the best intervention is the one that the cultural, physical, genetic, and biological methods precede the chemical control, giving priority to measures that are less aggressive to the environment and to the workforce health.

1.4.7. Estimated, Current and Projected Production

The Forest Inventory Department is responsible to monitor the timber inventory and the growth and the dynamics of the company's forests. To do so, AMCEL has adopted sampling techniques that are used to determine or estimate the forest quantitative and qualitative characteristics to elaborate a short, medium, and long-term plan.

The collect of data that is conducted in this activity is basically the installations of parcels whose recommendation is directly associated with the objective of the Inventory that has been prepared.

Continuous Inventory:

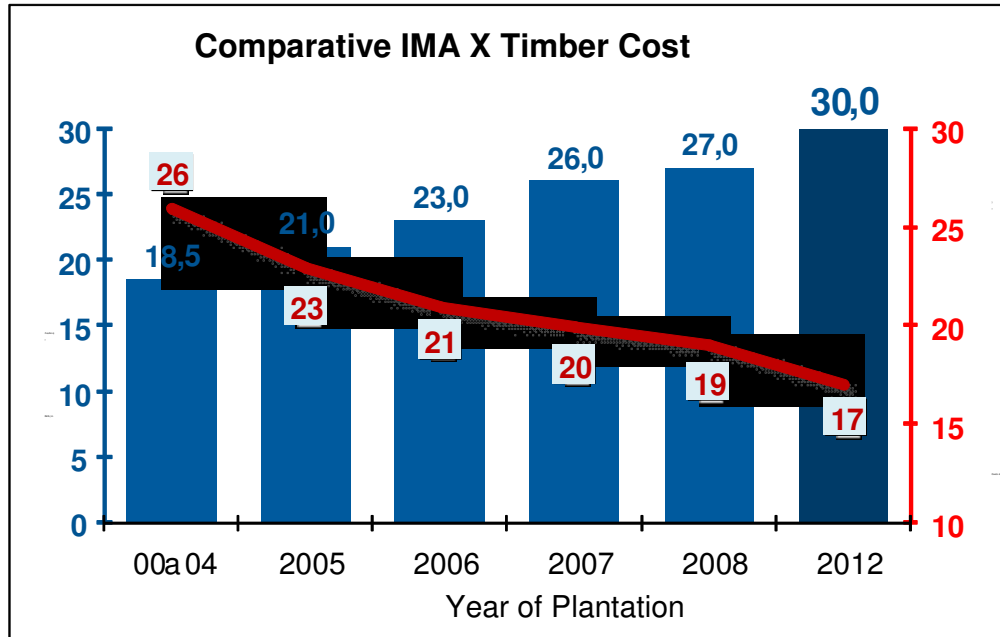
This inventory is prepared for the areas that are not included at the Cutting Integrated Plan. The sampling intensity is one parcel at every 10 ha.

Pre-Cutting Inventory:

The sampling intensity is one parcel at every 5 ha. It is conducted before the harvesting operation and it is useful to provide information about the more recent sectors from where the timber will be harvested.

The medium term plan indicates that the company may reach commercial forest productivity of about 30 m³/ha year from 2012 on. This productivity figure will reduce the timber production cost from R\$ 25,00 to R\$ 17,00 per cubic meter, according to the graphic shown below:

Figure 07: IMA x Timber Cost Comparison



1.4.8. Chemical Pesticide Use

The table below shows a list of pesticides used by AMCEL for the implantation of its forests.

AMCEL has developed detailed procedures for the correct use of every product. The company has also developed procedures for the incorporation of new products to the forest activities and the ban of using and/or testing pesticides that have any chemical product in its formula that had been forbidden by FSC. The table below shows a list of the products that have been used by the company. It is important to mention that AMCEL has a derogation process to use the following active principles: **Sulfuramid** and **Fenitrothion**.

The pesticide application is carried out in a controlled manner. The quantity that has been applied is monitored per hectare (in the field) or per seedling (seedling nursery). All workers have been trained for the application activity and they wear all the safety equipment. All pesticide application is carried out with precautionary measures in order to reduce damages to the workforce's health and damages to the environment.

Table 3. List of pesticides used by AMCEL.

Commercial Name	Active Principle	Class	Toxicological Classification	Use Specification
Mirex-S	Sulfluramid	Ant Poison	IV	Field application and throughout the forest cycle
Dipel PM	<i>Bacillus thuringiensis</i>	Biological Insecticide	IV	Field application and in areas where there is a high infestation of leaf-cutter caterpillars and eventually at the seedling nursery

Fordor 750 wg	Isoxaflutole	Pre Emerging Herbicide	III	Field application and at the first three months after plantation
Scout	Glifosate	Post Emerging Herbicide	IV	Field application focused in the first two years after plantation; it may be used throughout the forest cycle.
Sumifog	Fenitrothion	Insecticide/ Ant Poison per nebulization per thermo - nebulization	III	Fumigation application on the field to control leaf-cutter ants, and at the areas that have been just recently planted and during high-moisture period (rainy season).

2.0 GUIDELINES/STANDARDS EMPLOYED

The standard used at AMCEL 's certification process was the SCS Interim Standard for Forest Management Plantation in Brazil, version 01 from February 2007. Most part of this standard is based on FSC Standard for Forest Plantations in Brazil (version 9.0) which has been approved by FSC International. The standard may be found at SCS website: http://www.scsertified.com/forestry/forest_programmat_fm.html.

3.0 THE CERTIFICATION ASSESSMENT PROCESS

3.1 Assessment Dates

- Stakeholder Consultation: The sixteenth of June, 2008 – Porto Grande
- Stakeholder Consultation: The seventeenth of June, 2008: Tartarugalzinho
- Field Audit: From the twenty-eighth of July to the thirtieth of July, 2008
- Stakeholder Consultation: The twenty-eight/thirtieth of July, 2008 - Porto Grande
- Stakeholder Consultation: The twenty-ninth of July, 2008 - Tartarugalzinho

3.2 Assessment Team

3.2.1. Auditor Staff

Dr. Vanilda R. S. Shimoyama is a Forest Engineer graduated at USP and doctor by UFPR in the Wood Technology Area. She has more than twenty years in professional experience. She has worked as a researcher, consultant and service provide for private sector in Brazil. For the forest department, she has developed, implanted and carried out forest quality control programs. She has also developed research to improve forest productivity and for improving the wood quality. She has worked in the forest harvest area for more than seven years. For the environmental sector, she has carried out studies and she has developed programs to minimize environmental impacts caused by forest activities. She has developed management programs for the residues generated during the forests activities. She has also developed requirements to use chemical products and has introduced new products. She has coordinated natural fragments studies and projects to recover degraded areas. For the social sector, she has developed human resources qualification programs (training and recycling), involving subjects such as productivity, quality, safety at work and environment. She has developed projects, implanted and carried out environmental education programs in Paraná state Northern region. For the industrial sector, she has developed and carried out programs to integrate Forest x Industry aiming to improve the final product cost and reduce the production costs; she has also carried out studies and programs for a better use of raw material.

For SCS, she has participated in the certification / recertification process of eight forest management units, involving planted and natural forests. She has carried out more than 32 audits in Northern, Southern, Central, Southeast and West of Brazil.

Dr. Ana Cristina Mendes de Oliveira is graduated in Biological Sciences by Universidade Federal de Minas Gerais and she is master in Animal Behavior by Universidade Federal do Pará and she is doctor in Wet Tropic Sustainable Development by Universidade Federal do Pará. She is a teacher of the Zoology and Ecology Laboratory of Vertebrates at Universidade Federal do Pará; She is a Teacher of the Post Graduation in Zoology of Museu Paraense Emilio Goeldi and a Researcher that cooperates for the Instituto de Pesquisa Ambiental da Amazonia (Amazon Research Institute). Dr. Ana Cristina has been in the Amazon region for more than 12 years and accumulated knowledge in Ecology, mainly the fauna. In the Forest Certification, she has participated as auditor in seven certification and recertification processes in the Amazon region, and she has conducted forest plantation audits in the Southern region of Brazil.

Dr. Jarbas Yukio Shimizu is a Forest Engineer graduated at Universidade Federal de Viçosa. He is master in Forestry Sciences at Florida University (USA). He is PHD in Forest Genetics at North Carolina University (USA) and pos doctor in Population Genetics at Oregon University (USA). Other trainings include improvements in Forest Germoplasma Conservation and Forest Species Micro Propagation in Japan, Conservation and Use of Phylogenetic Resources in Spain and Environmental Management System Auditor Team Leader intensive course in Brazil. He has more than 30 years in experience in activities such as Development of Forest Research Project in cooperation with IBDF/PNUD-FAO, and subsequently as a researcher for Embrapa Florestas, where he worked in silvicultural area, improving forest genetics and conservation of forest Germoplasm. He was also the leader of several conservation and genetic improvement projects, where he was the Technical Leader of Forest Research National Institute. He has also worked as a consultant in silvicultural and forests improvements of fast growing species for official forest research institutes and for forests organizations in Chile, México, Mozambique and Brazil. He has been ministered intensive forest improvement course at Universidade Nacional de Colombia and at Universidade Estadual do Centro-Oeste (UNICENTRO-Campus de Irati), PR. He has also worked as advisor, co-advisor for several thesis exams for several Forest Engineering master and doctor students at Universidade Federal do Paraná.

Rossynara Marques is a forest engineer graduated by Instituto de Tecnologia da Amazonia and she is pos graduated in environmental technology by Universidade Federal do Amazonas –UFAM. She has great experience in forest management activities in the Brazilian Amazon and in the management and follow up of projects developed in partnership with timber companies and the community. She worked for five years as coordinator of an IBAMA project, and her role was to articulate in different spheres fomentation for forest managements in the Amazon region, and the implantation of Training Centers. She has in-depth knowledge in communitarian forest management that have been developed in Central and Latin America. She has participated since 2000 of a Working Group that have been following and contributing with public politics proposals. She has experience in forest certification sector, and she has worked for IMAFLORA (Brazil) and Centro de Investigación y Manejo de Recursos Naturales Renováveis – CIMAR (Bolivia). For the social area, she has implanted and is responsible for the development of a communitarian forest management plan in a Conservation Unit in Pará state, supporting and rendering qualification, adequate exploitation techniques that cause low impacts in the communities, safety at work and communitarian management. She is now the main adviser of Instituto de Desenvolvimento de Florestas do Estado do Pará- IDEFLOR, and her main role is to elaborate and implant a monitoring system of the areas that are in process of forest concession in Pará state.

3.2.2. Peer Reviewers

Dr. Marcos André Piedade Gama – in an Agronomist Engineer graduated at Universidade Federal Rural da Amazonia (1995), he has mastership and doctorship in Agronomy (Soil and Plant Nutrients Area) by Universidade de São Paulo (USP ESALQ) in 1999 and 2002, respectively. He is actually an assistance professor at Universidade Federal Rural da Amazonia (UFRA). He has experience in Agronomy and Forestry areas, with emphasis on Soil Fertility and Fertilization, and

he has mainly worked in the following subjects: soil fertility, cultivation system, organic material, small producer, forest management and nutrition.

Dr. Valderês Aparecida de Souza – is a Forest Engineer graduated by ESALQ/USP, she has mastership in Forest Sciences by ESALQ/USP and doctorship in Forestry Sciences in Georg August Universität Göttingen Gottinguemy – Germany. She is EMPRAPA researcher – National Initiative for Forest Development; she works in the Nature Conservation Department more specifically in subjects such as Forestry Genetic Improvement, Reproductive Biology – *in situ* and *ex situ* Genetic Conservation. She has participated Genetic Resources training in Holland and Forestry Genetic Conservation Resources (Conservation and Forestry Genetic Improvement) in Spain.

The assessment team took into account the comments that have been raised by the peer reviewers and based on them, have made the corresponding alterations, and when necessary, replied to the comments. The observation of these reviewers is professional comments that do not correspond to the opinions of the organization that they work for.

3.3 Assessment Process

The evaluation of AMCEL's planted forests certification process began with a Stakeholder Consultation that was held in January 2008. The FSC and several environmental, social and economical institutes that work at local, regional and national level have been contacted either by email or by mail. On the tenth of March 2008, a Stakeholder Consultation was held in Santana with significant participation of stakeholders from the region, mainly people from Santana, Porto Grande and Tartarugalzinho.

The multidisciplinary auditor team expert in forestry, environment, economy and social areas have started the main audit in July 28 /August 1, 2008 period. The documentation and the formal procedures related to the forest management have been assessed. At the field audit, all assessors verified the forest harvesting, planning, felling, transportation and safety at work operational procedures; the social and environmental aspects have also been evaluated, according to described on item 3.3.1.

On the last evaluation day, the auditors gathered to analyze the information that were collected during the field evaluation, and the data were compared with the Principles, Criteria and Indicators of SCS Planted Forest Certification Interim Standards. At the end of the meeting, the pre-conditions, corrective actions (CARs) and recommendations with a determined deadline to be closed were raised and they were subsequently introduced to the company's board of directors and to the technical team at the final meeting.

3.3.1 Itinerary

Table 4: First part: Field Audit.

Date	Farm	Region	Auditor
July 28, 2008	Audit opening meeting Documentation Assessment (programs, maps, projects, controls, etc.)	Santana	Vanilda
	Meeting with the company's Board of Directors Documentation Assessment (programs, maps, projects, controls, etc.) Stakeholder Consultation in Porto Grande	Santana Porto Grande	Ana Cristina

July 28, 2008	Audit opening meeting	Santana	
	Visitation to Fazenda Flexal 01 Stakeholder Consultation in Porto Grande	Porto Grande	Jarbas
	Visitation to SINTRACEL (in Santana) and to Ministério Público (Government Institute that deals with Agrarian Conflicts) in Macapá. Stakeholder Consultation Porto Grande	Santana Macapá Porto Grande	Rossynara
July 29, 2008	Interview with office employees, medical sectors, safety at work, planning registration, management and human resources (training). Ferreira Gomes and Asa Branca region; New spillway, seedling nursery and Stakeholder Consultation.	Santana Ferreira Gomes Tartarugalzinho	Vanilda
	Visitation to Itapoã Legal Reserve and seedling nursery, Stakeholder Consultation in Tartarugalzinho.	Itapoã e Tartarugalzinho	Ana Cristina
	Pedreira 02; Pedreira 04; Pedreira 05; Peixe Boi 06; Matapi 01	Porto Grande	Jarbas
	Itapoã Farm (Piquiá and Cruzeiro Settling Projects) Stakeholder Consultation in Tartarugalzinho	Tartarugalzinho	Rossynara
July 30, 2008	Porto Grande Complex	Porto Grande	Vanilda
	Visitation to São Bento and Legal Reserve Areas , Permanent Preservation Areas (Porto Grande), Watershed Monitoring	São Bento e Porto Grande	Ana Cristina
	Office; Stakeholder Consultation	Santana; Porto Grande	Jarbas
	Visitation to Corre Água, Itaupal and Ferreirinha Settling Project. Stakeholder Consultation in Porto Grande	Porto Grande	Rossynara
July 31, 2008	Office – documentation Meeting to evaluate compliance with FSC Principle and Criteria	Santana	Vanilda
	Documentation Discussion of the Principles and elaboration of the conditionings	Santana	Ana Cristina
	Visitation to Pastoral da Terra Commission –CPT in Macapá.	Macapá	Rossynara
August 01, 2008	The conditionings were introduced to the company	Santana	All

SECOND PART: VERIFICATION OF MAJOR CARs COMPLIANCE

AMCEL has implanted all the pre-conditions and it has sent to the auditors the documentations that demonstrate that the corrective actions have been adopted. The auditors have evaluated the documentation and they conclude that the corrective actions requested have been complied (item 4.2).

3.3.2. Evaluation of Management System

The social aspects were evaluated through the data that had been gathered from primary and secondary data related to several representatives from the local and regional society, and from several environmental and forest-related activity institutes. A special attention was given to the working conditions, including safety, training, transportation, food, payment and conformance with the legislation. To do so, the direct employees and the contractors were interviewed at their working place. Particular attention was given with interview with local leaders, inhabitants of neighboring settlements throughout Rio Aporema (Santa Isabel farm). Some institutes have also been interviewed during the audit process.

Leaded by Dr. Ana Cristina, who is an auditor, visitations were scheduled in order to analyze the environmental aspects, and to identify and assess the maps provided by the company and to verify their authenticity in the field, observing if there are no environmental irregularities. At the visitations, emphasis was given to the areas that are protected by the current legislation, such as Permanent Preservation Areas and the areas that had been defined as Legal Reserves.

The objective was to verify if the areas that are protected by the legislation had not been used for activities such as Eucalyptus plantation and other cultures and if it had not been submitted to any anthropic disturbance caused by the company, its neighbors, or by the population in general, such as opening of roads, flush of superficial water, selective exploitation, predatory hunt, or any other type of degrading activities. Portions of the remaining native vegetation had been visited in order to evaluate its degradation level and to assess the efficiency of the protection and conservation measures. Special attention had been given to the procedures adopted to maintain internal roads to verify the methods used to do so and their impacts on the water resources and on the remaining natural vegetation. The areas where the company developed programs to monitor the native fauna and environmental education measures have also been visited.

In order to analyze the forest aspects, the FMUs were visited at the following AMCEL's complexes: Porto Grande, Ferreira Gomes, Asa Branca and Tartarugalzinho; the areas in which there had been forest operations, such as inventory, soil preparation, plantation, irrigation, ant elimination, herbicide application, harvest, cut and transport have also been audited. The areas in which the activities mentioned above had already been conclude have also been audited in order to evaluate the impacts caused to the environment. Conditions, such as maintenance of roads, control of exotic species, the planning system, forest production control, registration and cartographic base and all the related documentation have also been audited.

3.3.3 Selection of FMU's evaluated

Table 5 - Auditor x FUMs.

AUDITOR	FARMS (FMUs)
Vanilda	AMCEL Office, Blocks (Porto Grande); Ferreira Gomes; Asa Branca and Tartarugalzinho.
Ana Cristina	AMCEL Blocks (Porto Grande), Fazenda Itapoã, Horto São Bento, Tartarugalzinho and Ferreira Gomes.
Jarbas	Farzenda Flexal 01, Pedreira 02, Pedreira 04, Pedreira 05, Peixe Boi 06 and Matapi 01.
Rossynara	Fazenda Itapoã, Fazenda São Bento, Faz. Porto Grande.

3.3.4. Sites Visited

The table below shows the main reasons why the auditors had selected to visited several of the FMUs. In several instances, the same FMU was audited in different dates and with a different perspective in order to create a complete new panorama of the company's forest activities.

Table 6. Places X Reason.

PLACES	REASON
Bloco AMCEL (Porto Grande)	Field-verification of any eventual environmental irregularity, such as protection of the remaining natural forests, delimitation and protection of Permanent Preservation Areas, measures adopted to restore the Permanent Preservation Areas; general situation of roads; erosive and silting up process level; natural fragments. Field-verification of the communities' socio economical situation; verification whether there HAS BEEN any conflict or not; the integration company/community and the level of community access to the natural resources that are inside the company's properties; Harvest of timber. Stakeholder Consultation
Fazenda Itapoã	Inspection of the environmental situation at the Legal Reserves; Field-verification of the community's socio economic situation, verification whether there is any conflict or not, the level of integration company x community and the level of community access to the natural resources that are inside the company's properties;
Horto São Bento	Assessment of the area that had been indicated as High Conservation Value Forests
Ferreira Gomes	Evaluate possible extension in the scope of the area that will be certified.
Fazenda Izabel	Field-verification of the communities' socio economical situation; verification whether there is any conflict or not; the integration company/community and the level of community access to the natural resources that are inside the company's properties;
Fazenda Flexal 01	Verification of the silvicultural operations that involve manual and mechanized herbicide application, mechanized application of herbicide, manual application of ant poison. Inspect the maintenance level of the forestry roads, the conditions of the Permanent Preservation Areas, the situation of the transportation system and the safety level of the employees.
Fazendas Pedreira 02; Pedreira 04; Pedreira 05 e Peixe Boi 06	Visitation to evaluate the harvesting and cross cutting activities, inspection of the maintenance level of the forestry roads, the conditions of the Permanent Preservation Areas, the situation of the transportation system and the safety level of the employees.
Fazenda Matapi 01	Evaluation of the Eucalyptus plantation development and the road conditions after the timber is removed from the harvesting areas.
Santana's Office	Documentation analysis and interview with the personnel responsible by Genetic Improvement Research, Inventory and Preservation areas; the personnel from AMCEL's office have also been interviewed.

3.3.5. Stakeholder Consultation

Pursuant to SCS protocols, consultations with key stakeholders are an integral component of the evaluation process. Consultation took place prior to the field audit, and correspondence had been sent to several institutes (according to list in Annex 01). Consultations were held at several places throughout the audit process, including a Stakeholder Consultation with representatives of several segments of the civil society and the population that live in the vicinity of the area in which the company develops its activities, in Amapá. Among the interviewed personnel, there were labor union leaders, public institutes institute, private organizations, local leaders and politicians, and the people that live in the vicinity of the properties and nearby the city's headquarters. The distinct purposes to the consultations were:

- To solicit input from affected parties as to the strengths and weaknesses of Sample Company's management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.
- To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests.

Principal stakeholder groups of relevance to this evaluation were identified based upon lists of

stakeholders from the Company, and additional stakeholder contacts from other sources, and by FSC Brazil list. The following types of groups and individuals were determined to be principal stakeholders:

- Company employees, including headquarters and field
- contractors
- lease holders
- adjacent property owners
- adjacent neighborhood inhabitants
- Members of FSC Brazil
- Local and regionally-based environmental organizations and conservationists
- Local and regionally-based social interest organizations
- Purchasers of logs harvested on Sample Company forestlands
- Local, State and Federal regulatory agency personnel
- Other relevant groups

**3.3.5.1. AMCEL – Amapá Florestal e Celulose Ltda.
Stakeholder Consultation Model**

PUBLIC MEETING

INVITATION

FSC- Recertification of Forest Plantation Management Area in Curvelo Region (MG)

AMCEL – Amapá Florestal e Celulose Ltda.

SCS – Scientific Certification Systems (www.scs-certified.com) - an FSC-accredited certification body (Forests Stewardship Council) for Forest Certification invites for a **Public Stakeholder** which will begin FSC-Recertification process of field audit requested by **AMCEL – Amapá Florestal e Celulose Ltda.**

The sites which are to be evaluated are located in properties that belong to the company and that are spread throughout seven municipalities along Macapá, Santana, Porto Grande, Ferreira Gomes, Tartarugalzinho, Itaúbal do Pírim and Amapá region, all of them in Amapá. Pinus spp., Eucalyptus spp and others (Dendê, etc) plantations are managed at this sites that corresponds to an area which is 218.529,3 ha that will be certified - 103.732,05 ha of it corresponds to effective plantation that is spread in regions I and II.

AMCEL, a company that belongs to Grupo Marubeni Corporation e Nippon Paper Industries, manufactures chips for industrial purposes. It has exported in the last few years an average of 600 thousand tons of Pinus and Eucalyptus chips a year for several countries. AMCEL's enterprise is meant to supply the new market demands – produce raw material to manufacture low-fiber cellulose pulp without causing new environment impacts.

AMCEL's objectives are linked to the implantation of forests that are necessary to produce timber for industrial purpose, to decrease the pressure over native forests, and to supply the demands from the market (raw material to manufacture low-fiber cellulose pulp), and the possibility to protect the watersheds. These objectives can come true as long as there is sustainability as a whole in the system, both in the productivity point and in the quality of forest and products, and in the use of new productive techniques that are compatible with the equilibrium and conservation of the environment. A productive forest is the one that harmonize the plantation of species for industrial purpose with the preservation of the wild fauna and flora from the region.

AMCEL is committed to develop its activities contributing to the development of Amapá. Grupo Nippon Paper e Marubeni Corporation makes significant investments that provided to Amapá a level of development that is compared to important worldwide economies, and it also improves the income, jobs and the general social conditions. The company values the local workforce and it generates 1.332 jobs – 528 direct and 804 contractors. Moreover, AMCEL develops partnership with research institutes and universities from Amapá and it keeps an Environmental Education Program and several other social programs for the population of the forest units.

AMCEL is committed with the sustainable development of the region, treating ethically and respecting the community, its clients, shareholders, suppliers and employees, and preserving the environment. The company has been developing several soils and water monitoring and preservation programs in order to minimize the impact of the company's activities to the environment through the introduction of more adequate management techniques.

The 2003 Certification and the 2006 Recertification at the Environmental Management System NBR ISO 14001:2004 is an asset: it has in its scope "Operation, Research and Sustainable Management of Forests" that include all AMCEL's forest area, whose activities are developed at the company's own sites in Amapá.

The certification process must involve **public and civil society participation** and therefore we invite you for the **Stakeholder Consultation** which will be held on **July 28, 2008** at Centro Comunitário de Porto Grande, Av. Mario Cruz, 620 – Centro – between 7:00 PM to 9:30 PM, and on **July 29, 2008** at Câmara Municipal de Tartarugalzinho, Av. 1. de Maio, 450 – Centro - between 7:00 PM to 9:30 PM

Its very important the participation of all representatives from the civil society, because Forest Certification is a citizenship exercise from both individuals and for the institutions directly interested in the subject. So, the applying organization must develop its forest management according to FSC-Principles and Criteria, or in other words, it means that the organization ought to promote socially correct, environmental adequate and economically viable activities

It is important to mention that this meeting will be held without the organization presence. Its main objective is to gather suggestions and preoccupations which will be fundamental for the field audit which will evaluate how the forest management activity is developed in terms of social, legal, environmental and economical aspects. Your participation is very important so that everybody may tell its preoccupation, comments, suggestions and

criticisms or show new evidences that may be useful for the certification process and that will be discussed in the presence of all participants of the event.

The meeting will be divided in to parts.

- a. Brief explanation of the Forest Certification process according to FSC-Standards. The participants may ask questions.
- b. Disclosure of claims or aspects that the participants would like to include in AMCEL's Forest Certification Process.

If it is your interest, there is a Stakeholder Consultation Questionnaire which can be filled out and it must be sent to the following email: vanilda.souza@sysflor.com.br or it may be sent by fax (0xx43) 3535-4906. If you want to know more details about FSC-Certification Standards for Forest Management Plantations, this document is available on line at the site (http://www.scs-certified.com/forestry/forest_programmat_fm.html) on item FSC Standards. It is possible to download the document in Word format without charges.

Everybody is invited to participate of the Stakeholder Consultation **whether the person has received the formal communication or not**. We ask you to **promote** the event and the Questionnaire annexed to institution and person you know who may have interest in participating of the process.

Respectfully

Vanilda Souza
Rossynara Marques
Sysflor / SCS Auditors

3.3.5.3. Summary of Stakeholder Concerns and Perspectives and Responses from the Team, Where Applicable

Social Concerns

AMCEL has damaged the pavement from Santana and Cláudio Lucio avenues (in Santana municipality) with the constant company's heavy-vehicles traffic. What has the company been doing to prevent such damages?

Santana and Cláudio Lucio avenues are used as access to Santana Porto to load transportation vehicles from all companies that need to use the port. There is only one access to the port and it is also used as route of AMCEL's trucks to transport timber. Despite this, the company, in partnership with Santana city hall, have restored and improved the signaling of São Paulo Avenue in a voluntary program to contribute with the county.

AMCEL is committed to comply with all laws related to the activity, including the traffic legislation. The timber loads are controlled to prevent exceeding the current weight limit.

Moreover, the company pays an annual R\$ 300,00 - fee per truck + trailer for Santana city hall due to the special transportation.

Which procedures have been adopted by the company to prevent accidents on the road?

AMCEL has adopted the following procedures to prevent accidents:

- The transportation company is comprised by a trained team that is constantly recycled and every driver makes only one trip per shift.
- There are three drivers per truck, which prevents fatigue and excessive working hours.
- All the vehicles are equipped with tachograph
- The average age of the freight is two years.
- There is a preventive plan for all vehicles.
- The drivers have at their disposal life insurance with psychological support
- The drivers are constantly warned to be alert at the critical spots (Santana and its access).
- The company gives priority for employees from the region.
- The signalization is maintained at the areas where timber transportation is carried out.
- A procedure to adopt the same instrument used by traffic policemen to measure the alcohol content in the breath of drivers in under development.
- The trucks are inspected daily in order to verify the loads; the mechanical and electrical conditions of the trucks are verified twice- from the field to the mill at pre-determined spots.

The company respects and complies with all restrictions imposed by Federal Police Department that is controlled by COTRAN for the circulation of special vehicles at federal roads during national holidays at hours when the governmental institute considers there is a significant increase in the vehicles traffic.

Which social projects have been developed by the company? The company should develop more social projects, such as professionalizing courses.

The Company has developed social projects, such as:

- **PROJETO PIRALHO**, which is sponsored by the company and that was developed in Amapá Justice Tribunal in 1997 that provide professionalizing courses to 14 to 18 year-old people from Ferreira Gomes e Porto Grande communities. Since its foundation, this project has helped more than 1.700 young people. The courses are coordinated by SENAI and they enable the youngsters to have access to the marketplace.
- **PROJETO ESCOLA DA MADEIRA**: This project is 100% sponsored by AMCEL and it was introduced in 1999 for people over 14 years old and adults from Tartarugalzinho, Porto Grande e Santana communities. It provides technical courses, such as joinery, painting, electrical and hydraulic maintenance, etc. The courses are a tool that helps them have access to the marketplace. Many of these students, after attending the courses sponsored by the company, have now their own business

Which strategy does the company use to make public the social activities that had been implanted by the company? If there is any strategy, is it possible to implement it?

AMCEL has used the local newspaper, pamphlets, that are spread in fairs, lectures that are ministered at schools and at the community to make its social projects available to the public. For the internal public, the company uses a periodical newspaper. In order to improve and make this information available to a large public, the company has been including such programs at its website, which is at its final stages of development.

Does the company have any form to inform the impacts caused by the plantation at new forest areas?

The Company has developed a report of the environmental impacts, which is spread to all city halls and environmental institutes. The summary of these reports can be found at the company's website and it is also available for consultation in Santana, Tartarugalzinho and Porto Grande offices.

Does AMCEL have any incentive to use non-timber products?

Reply: The Company signed this year an agreement with apiarists from Porto Grande that allow them to work at the company's properties in order to develop small enterprises. A project to extract açai from the company's properties is under way. Moreover, an agreement with the local community is being studied for the implantation of a course to manufacture jewelry from the native seeds collect from the company's properties. As it is a Preservation Area, this project needs to be studied carefully to prevent disturbances at these areas.

Is there any other dialogue and communication channel for the communities and institutes complaints?

Yes, there is. The company has a Public Relationship Department that receives, analyses and replies all the complaints. There are regional offices in Tartarugalzinho, Porto Grande and Santana. All supervisors and coordinators can act as communication link between the company and the community.

What is the ratio between the number of employees and the area occupied by the company at the municipality?

AMCEL's employees and cooperators are spread in three municipalities, as follows:

- Santana corresponds to 22% of the company's employees/cooperators.
- Porto Grande corresponds to 61% of the company's employees/cooperators.
- Tartarugalzinho corresponds to 17% of the company's employees/cooperators.

The company employs 418 workers in Porto Grande region; in Tartarugalzinho, 118, and in Santana, 154. The company has only Preservation Areas in Amapá*.

How can AMCEL provide support to family farming (settlement, traditional communities), health and education at the regions it operates in?

The communities that live in the vicinity of AMCEL have at their disposal professionalizing courses through social projects such as Escola da Madeira and Projeto Pirralho; the community also has access to environmental lectures and courses in partnership with Santana's Environmental Institute.

The company developed projects to incentive familiar agriculture, however there has not been a positive response from the farmers who do not have tradition in this kind of activity, they are used to subsistence farming. Not even the programs developed by the State Agriculture Department have managed to make them adhere. For the settlements, as they are administrated by INCRA, that has its own working structure which are not open to private companies. In terms of health, AMCEL has been given logistic support to some municipalities, when requested.

* In this sentence, Amapá refer to a city, not Amapá state.

What is the company's socio environmental policy?

AMCEL has a socio environmental policy that has been introduced inside and outside the areas more and less affected by man's activities, i.e. it does not give priority to none of them; the

company is committed with its employees, contractors and the community that live adjacent or outside it.

What is the importance given by the company to the communities that live adjacent to the project area and what is its relation with the Cerrado environment, mainly in economic terms? (How does the company incorporate the social dimension of its manufacturing process?)

The communities that live in the vicinity of the company's properties are respected and there is no conflict with them. One way to provide incentives to them would be the development of fomentation programs, in which the company could supply subsidies for the plantation of forest species, and later purchase the timber. However, it is necessary agrarian conformance of most of these communities, and it would be a slow process.

Does the company have any survey related to the impacts of the forest management activities at the grasslands?

Yes, it does. The company, in partnership with IPEA, has been surveying the fauna inside these areas; these areas will be permanently monitored after the conclusion of the survey. This monitoring is a very important tool to evaluate the possible management activities impacts and its influence in both fauna and flora. The company prepared a survey of these impacts in 2004.

What are the company's incentives for the health of the local community?

The company donates hospital equipments and provides logistic support and promotes several campaigns under the responsibility of the county, state and federal government, as described below:

The company helped improve the public health conditions in Tartarugalzinho and Porto Grande: it has donated hospital equipment and materials to Tartarugalzinho Health Center, which allowed the installation of a clinic analysis laboratory that had been very useful to the local population.

The company has cooperated in a Mouth Health Prevention campaign in Porto Grande and Amapá (again a city, not the state): The company has donated several materials, such as 5.000 dischargeable moldings, 5.000 toothbrushes, 3000 toothpaste, flour, first aid kit, T-shirts, etc. These campaigns were held in 2002 and 2007, and it was a County's Health Department initiative.

Multi Vaccination Campaigns: AMCEL provided logistical support to campaigns related to the mosquito that transmits malaria; it also helps in the vaccination logistic in Tartarugalzinho, Porto Grande and Santana providing vehicles (for road and river transportation), the vaccines and it donated T-shirts that are used to promote the campaigns.

In Tartarugalzinho, the company has donated bicycles to the Health Department that were used for a bicycle use campaign – the bicycles make the access and assistance easier at the rural areas.

Ação Global: AMCEL has supported this project since 1997. The following services are provided to the community: dental care, check up examination, birth registration, and vaccination to both children and elders.

The company has donated two equipments to the State Health Department to be used at the Dengue Fever Campaigns.

AMCELS promotes internally Vaccination Campaigns to curb yellow fever, rubeola, flu, hepatitis, etc. The company has an annual program of lectures and health-related events and occupation and sexual transmitted diseases for employees and family members.

Economic Concerns

What is the level of participation of the company in the local development in the counties it operates in? - including the number of employment created?

AMCEL develops its activities in Tartarugalzinho, Porto Grande and Santana, and it contributes to the social and economical development of this municipalities. AMCEL has created approximately 130 jobs in Tartarugalzinho and it injects R\$ 150.000 in the local economy (see table below).

County	Monthly Income Generation (*) (R\$)	Employment Generation	
		Direct	Indirect
Santana	4.167.000,00	154	304
Porto Grande	2.525.000,00	418	403
Tartarugalzinho	150.000,00	118	08

(*) Approximated value in service provided and salary stub.

In Porto Grande, the company generates 830 jobs and provides a R\$ 3.050.000 annual income. In Santana, AMCEL employs 460 people and injects approximately a R\$ 4.970.000 in the local economy

Due to its commercial activity, the company does not pay ISS, but retains from its services providers the value related to the ISS fee and passes it to the municipalities.

The numbers related to job generation represent direct and indirect jobs and the numbers related to income generation corresponds to the payment of taxations and contractors invoices, purchase of materials and payment to AMCEL's employees in the three counties.

How does the company inform that there are new job vacancies at AMCEL?

The company receives curriculum from three counties (Santana, Porto Grande and Tartarugalzinho) that are included in the Human Resources Bank Data. If there is eventually any vacancy, the candidates are selected according to the position profile and the public is informed by telephone, local newspaper, and information among AMCEL's employees.

Environmental Concerns

Does the company have a protection/conservation program for the remaining Cerrado (Brazilian Savannah) portions inside its properties?

Similar to what it is making with the fauna, AMCEL will start in 2009 a continuous survey of the natural Cerrado vegetation remaining at the fragments that are part of the Legal Reserves in order to comprehend its behavior at new environmental conditions imposed by the plantation.

This evaluation will be part of a Flora Survey Program and it will be developed in partnership with IEPA. The survey will be defined by both AMCEL's team and the institution involved, fulfilling the specific objectives of both organizations.

What are the impacts of the Eucalyptus plantations in the quantity of water in the region? Does the company have any survey about this?

The data available demonstrate clearly that the Eucalyptus plantations are not different from other forest species in terms of watershed equilibrium and it demonstrate an increase of the water flow due to the forest harvest, and decrease of the average flow due to the reforestation of the watershed; the same results had been obtained with other forestry species.

In general, the hydrologic image of the Eucalyptus species as a whole, or of the Eucalyptus plantation, according the results analyzed in technical research (LIMA, WP, 1993 - Eucalyptus Environmental Impact), eliminate any concern of possible hydrologic collateral effect caused by Eucalyptus plantations.

Even with this information, AMCEL has monitoring instruments (two spillways have been built and a third one is being constructed) that is a preventive measure to evaluate the environmental impacts from parameters that indicate the environmental quality that are measured from the physico-chemical composition and the availability of water in a watershed under the influence of the forest activity.

A watershed, as ecosystem unit in the landscape, is an element that links and integrates to demonstrate the desired and undesired alterations that are taking place in the ecosystem as a consequence of the management practices.

Does the company use native species at the recovery areas?

For the recovery of area exposed or degraded, the company always uses native species. However, at the commercial areas used to build and maintain roads that give access to the area that had not been recovered at the enterprise implantation phase; the company uses Eucalyptus trees because these areas are usually inside commercial areas.

To do so, the following procedures are adopted: the land is leveled, if necessary, in curve levels; channels are built to direct the drainage of the rain water; the soil or organic layer is recovered; grass is planted to provide sustainability to the soil; plantation of native species seedlings.

The company monitors the reforested/ compacted areas every three months, and a report is elaborated that demonstrate the recovery status of the areas. The monitoring is just discontinued after the areas are fully recovered.

How does the scheme that has been adopted by the company to prevent fire work?

The company has an Emergency Service Plan (SGAF-009), in which the company considers forest fire as an emergency situation; the company's employees are trained by the Firefight Team and the following procedures are adopted:

During the week:

- a) Anyone that detect eventual fire or signal of fire shall communicate the following emergency contingency at the following places:
 - Reforestation Department directly via radio communication system or Porto Grande office.
 - Seedling Nursery Department through Tartarugalzinho's office.
- b) The employees from Porto Grande and Tartarugalzinho shall inform the Reforestation and Seedling Nursery emergency contingency, which are responsible to evaluate the situation and take the adequate corrective and mitigation measures.

Weekends and Holiday

- a) Anyone that eventually detect eventual fire or signal of fire shall communicate the following emergency contingency at the following places:
 - Porto Grande Reforestation Department
 - Tartarugalzinho Seedling Nursery

Resources Available

- a) Fire-fight Team
 - Truck
 - Firefight equipment (hose, spray nozzle, etc)
 - Manual tools (shovel, pickaxe, hoe, etc).
 - Industrial equipments (tractors, feller hydro-ax, tiger cat and skidder)
 - The employees that work in the Reforestation and Harvest department and other employees that works at the scene of the fire.
- b) Firefight Brigade
 - Truck
 - shovel, pickaxe, hoe
 - Isolation tape
 - Goggles
 - Safety glasses
 - Impermeable gloves
 - Cotton gloves
- a. For small leakages
 - Package to transport the contaminated material.
 - Isolation tape
 - Safety glasses
 - Impermeable gloves
 - Rubber hammer
 - Shovel

- Goggles

Observations:

1. Every department shall define where the packages for small leakages will be placed.
2. The area that needs the packages is responsible to acquire them.
3. Every department must keep a minimum quantity of packages at its storage area.

Precautionary Measures

- a) Employees orientation
- b) Maintenance of fire breaks around the plantation area
- c) Information and alert through poster and signs.
- d) Use of observation towers.
- e) The firefight equipment must be maintained in good working conditions through constant inspections.
- f) Both neighbors and adjacent communities must receive instructions.

Firefight Brigade and Emergency Brigade (agrochemical, oil and fuel leakage)

- a) The Firefight Brigade and the Emergency brigade are comprised by and controlled by the Reforestation Department.
- b) The Firefight Brigade is comprised by one person on duty, one person that will be responsible to coordinate and instruct the personnel on the right techniques to tackle fire, one driver, two forest workers, one truck equipped with firefighting devices and manual tools.
- c) The Emergency Brigade (to tackle agrochemical, oil and fuel leakage) is comprised by a driver, two forestry workers, a truck equipped with devices to control agrochemical, oil and fuel leakage.
- d) The employees pass through a thorough medical examination before becoming member of the brigade.
- e) 10% of all employees that work at the Reforestation and Forestry Harvest are trained once a year as personnel on duty and/or coordinators of Firefight Brigade team. Reforestation and Forestry Harvest departments are responsible to select the personnel that will be trained.

Corrective and Mitigating Measures**Firefight**

- a) Direct tackling method: this method consists in tackling directly the flames at the situations when the fire may not hurt the people.
- b) Indirect tackling method: This method is used to tackle huge fires, when it is not safe to tackle the flames directly. It may be done opening clearances, using hoses, etc.

Final Inspection

- The burned forest area is inspected in order to verify if there is no risk of another fire.
- The rotten and burned stumps are examined and removed from the burned area in order to prevent sparks.
- The stumps that may cause sparks are either cut or wet.
- The area that does not demonstrate signals of fire is cleaned.
- The Firefight Brigade team just leaves the area when there no more risk of fire.
- The area that had been burned is inspected later.
- The observation tower keeps surveillance at the area after the fire.

Does the company intend to create ecological corridors between the fragments of native forests?

Yes, it does. The company has a wide native forests corridors strip that are permanent conservation areas. AMCEL 's areas are rich in rivers. Moreover, AMCEL has been conducting a survey that will enable to increase the corridors between watersheds.

AMCEL makes maintenance of the legal reserve areas and of the permanent preservation areas, including the fauna corridors, connecting these areas to the conservation units. These procedures are important to reduce the eventual negative environmental impacts that may be caused by the enterprise over the species that deserve special attention.

According to the generalized comments, the company has been using drinking water in an abusive manner, and it apparently detours water courses for irrigation purposes. Which strategies has the company adopted to minimize these damages?

AMCEL provided drinking water to all its employees and contractors (mineral water) or through wells that are constantly monitored. The water from the wells are constantly sampled and subsequently analyzed in order to verify if it is good for human consumption, according to the current legislation.

In response to the question related to the big water consumption, the company has adopted the following principles:

a) Reforestation Activities

The drinking water used at our facilities is only for human consumption. The water comes from a well that is installed at Km 78. The water is analyzed from time to time – according to the current legislation - in order to verify it is drinkable. The well is equipped with hydrometer that enables to control the water consumption.

For irrigation purpose, AMCEL does not detour water courses. The water used for irrigation purpose is collected in local rivers that had been previously defined and registered at the corresponding environmental institutes. When the seedling are planted they are given a gel application that is meant to reduce water consumption, and then the seedling are monitored to evaluate whether it is necessary new irrigation or not. On average, two irrigations are performed per plant – in August and December. Vehicles equipped with dosing valves are used in order to effectively control the quantity applied.

b) Seedling-production Activity

The water used in the seedling-production process at the Forestry Seedling Nursery comes from Tartarugalzinho River. The water is pumped and it is not necessary to detour water courses and it is not necessary to alter its natural course. All water used to wash the tubes and the irrigation leftover pass through decantation boxes and this water is channeled to an effluent lake and it is then returned to the river. The company uses a closed effluent system.

The quality control system of the water that is used at the operations is comprised by five wells that are used to monitor the underground water quality and three sampling points for sampling the superficial water (upstream and downstream Tartarugalzinho River and the decantation lake), and that are meant to follow up the water quality at the Forest Seedling Nursery areas. The results obtained from these monitoring are registered at the State Environmental Department (SEMA).

For the water used for human consumption, either mineral water or the water from the wells is used. The water from the well is analyzed from time to time in order to verify if it is good for human consumption – according to the current legislation.

Which procedures have been adopted by the company to prevent excessive agrochemical application and its impacts over the communities and the conservation areas?

AMCEL has introduced environmental procedures (SGAF-002 – Agrochemical Application) determine all the requirements for agrochemical application. The company has also developed a program (PGAF-001) that establishes the objectives and targets based on environmental performance indicators in order to improve the efficiency and the continue improvement of the manufacturing process and the environmental sustainability.

The company has adopted these measures to reduce the impacts over the local environmental caused by agrochemical application.

The procedures adopted by the company are the following:

- The company follows strictly all the agronomical prescription and all agrochemical manufactures instructions for storage and application. At the agrochemical application, a special attention is given to the dose that is applied per unit and to the working conditions of the equipment and to the use of protection equipment by the employees.

- The company makes constant control of the chemical products and their packing to prevent misuse.
- The company applies chemical product only at calm periods and in the dry seasons.
- Whenever possible, the company replaces the chemical products by biological methods to control pest and diseases.
- The corrective measures developed by the company in eventual accidents with chemical products include the collect and adequate storage of spilled products and contaminated soils.

Is there a program to recover/reintroduce the fauna?

Yes, there is. The company, in partnership with IEPA, a research institute from Amapá state, has been making a survey of the fauna present at the areas (Cerrado, tropical forests, commercial areas and flooded areas) in order to identify the biological indicator and monitor them.

Moreover, AMCEL has been studying a partnership with IBAMA in which the company will assign areas for releasing and monitoring wild animals that are delivered at CETAS – a center that treats wild animals. This partnership will also involve internal monitoring of wild fauna and it will involve both employees and contractors.

Does the company have any proposal to reduce the planted areas according to the legislation?

AMCEL works in conformance with the legislation, and it is not necessary to reduce its plantation area or areas assigned for plantation. The area for which a license has been granted corresponds to 42 % of the total area, and this value is below the allowable by the current legislation. The remaining 58% is comprised by Permanent Preservation Areas, and 35% corresponds to Legal Reserves (Amazon Region Fields/Cerrado) and they comply with all the requirements for granting licenses for forest plantations.

3.3.6. Other Evaluation Techniques

It has not been used any other evaluation technique, except the ones that are normally used, such as field interview, Stakeholder Consultation and documentation audit.

3.4 Total Time Spent on audit

An assessment team has been gathered to evaluate the management developed by AMCEL. The assessment team has reviewed all the company´s documentation, have audited all activities developed at the FMU and all farms included in the certification scope. The assessment team has also interviewed direct employees, contractors and stakeholders in order to collect subsidies and evidences whether the organization is in conformance or not with FSC Principles and Criteria. It has taken 166 hours to conclude the on-site evaluation, which corresponds to 21,62 days.

Activity	Vanilda	Cristina	Jarbas	Rossynara
Stakeholder Consultation	6	9	6	9
Documentation	15	8	7	6
Field	8	20	12	24
Assessment Meeting	7	7	7	7
Closing Meeting	2	2	2	2
Total	38	46	34	48

3.5 Process of Determining Conformance

FSC accredited forest stewardship standards consist of a three-level hierarchy principle, then the criteria that make up that principle, then the indicators that make up each criteria. Consistent with

SCS Forest Conservation Program evaluation protocols, the team collectively determines whether or not the subject forest management operation is in conformance with every applicable indicator of the relevant forest stewardship standard. Each non-conformance must be evaluated to determine whether it constitutes a major or minor non-conformance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-conformance. The team must use their collective judgment to assess each criterion and determine if it is in conformance. If the forest management operation is determined to be in non-conformance at the criterion level, then at least one of the indicators must be in major non-conformance.

Corrective action requests (CAR's) are issued for every instance of non-conformance. Major non-conformances trigger major CAR's and minor non-conformances trigger minor CAR's

Interpretations of Major CAR's (Preconditions), Minor CARs and Recommendations

Major CARs/Preconditions: Major non-conformances, either alone or in combination with non-conformances of other indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant FSC Criterion given the uniqueness and fragility of each forest resource. These are corrective actions that must be resolved or closed out prior to award of the certificate. If major CAR's arise after an operation is certified, the timeframe for correcting these non-conformances is typically shorter than for minor CAR's. Certification is contingent on the certified operations response to the CAR within the stipulated time frame.

Minor CARs: These are corrective action requests in response to minor non-conformances, which are typically limited in scale or can be characterized as an unusual lapse in the system. Corrective actions must be closed out within a specified time period of award of the certificate.

Recommendations: These are suggestions that the audit team concludes would help the company move even further towards exemplary status. Action on the recommendations is voluntary and does not affect the maintenance of the certificate. Recommendations can be changed to CARs if performance with respect to the criterion triggering the recommendation falls into non-conformance.

4.0 RESULTS OF THE EVALUATION

Table 4.1 below, contains the evaluation team's findings as to the strengths and weaknesses of the subject forest management operation relative to the FSC Principles of forest stewardship. The table also presents the corrective action request (car) numbers related to each principle.

4.1 Notable strengths and weaknesses of the forest management enterprise relative to the P&C

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC
P1: FSC Commitment and Legal Compliance	<ul style="list-style-type: none"> - Long-term commitment with FSC Principles and Criteria - Payment of fees and taxations related to the activity - Formal procedures to protect the managed areas from illegal activities. - Long-term commitment to maintain the representative samples of the existing ecosystem. - Registration process of the preservation areas has been concluded. - Compliance with all international agreements sanctioned by Brazilian National Congress. - Identification of High Conservation Value Forests 	<ul style="list-style-type: none"> - Compliance with Law 10.267 from 28 of August 2008 and Decree 4.449 from 30 October 2002. - The company should include in its recycling programs the aspects of the legislation pertinent to the activities that is developed. - There are no procedures for the access of new employees to AMCEL's properties. 	<p>CAR 2008-03</p> <p>REC 2008-13</p> <p>REC 2008-14</p>
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> - The company respects the tenure and use right of the local community and the adjacent areas at the areas that are subject of the certification. - The company has an excellent Geo Coding information system structure. 	<ul style="list-style-type: none"> - The company must comply with the legislation (INCRA) and finalize the estate registration of its property in Amapá state. - It is necessary to develop maps that show the neighbor's areas. - There is administrative and juridical dispute involving the company and settlers at the company's areas. - The company discontinued the integration actions with the settlers, even tough there is an agreement between the parts. 	<p>CAR 2008.03</p> <p>CAR 2008.04</p> <p>CAR 2008.05</p> <p>REC. 2008.06</p>
P3: Indigenous Peoples' and Traditional Communities' Rights	<ul style="list-style-type: none"> - There are no Indigenous Peoples and Traditional Communities adjacent or in the region where AMCEL develops its forest management activities. 		

P4: Community Relations & Workers and Contractors' Rights at the Forest Management Units	<ul style="list-style-type: none"> - The company hires workers from the municipalities nearby the company's forest management areas. - The company provides adequate working conditions, and it provided free food to all its employees and contractors. - Work safety is monitored. - All working areas have clear signs. - All workers have communication devices at their disposal. - There are qualification and education programs for the company's cooperators. - The company offers substantial benefits to its cooperators, when compared to region's workforce. - The salaries are on the average of the region, and it is even over the average for the direct employees. - There are several social programs available resulted from socio economic survey that had been carried out in the region. - The company has contributed to improve the local economy by using contractors and suppliers from the region. - The company offers health insurance to its employees and to the employees' family members. - The labor conditions are adequate and the company provides good quality food and water to the employees. - There are union agreements for the working hour and benefits that are offered to the employees. - The company supports public institutions, especially in social and educational issues. 	<ul style="list-style-type: none"> - There is not a safety management plan that includes registration system and analysis. - There is not result from a new social impact survey on management plan. - There is not a strategy to make the company's social and environmental programs public. - The company should provide first aid training recycling for all the field workers. - Some signs are not very visible and they are too far from the harvesting operations. - The company should have the Individual Protection Equipment replacement be more efficient. - There is not a good shoe hygienic procedure for workers after their operations to apply agrochemicals. - The company should improve the conditions of the roads that give access to the plantations areas to reduce water accumulation and make the access of communities easier. - There is not a formal agreement to allow the local communities collect non-timber products from the company's properties. - There is not a partnership to found a nursing school for the Seedling Nursery female employees. - Labor Gymnastic Program has been discontinued. 	<p style="text-align: right;">PRE 2008.02 CAR 2008.01</p> <p style="text-align: right;">CAR 2008-07</p> <p style="text-align: right;">CAR 2008-06</p> <p style="text-align: right;">REC 2008.01</p> <p style="text-align: right;">REC 2008.02</p> <p style="text-align: right;">REC 2008.04</p> <p style="text-align: right;">REC 2008-11</p> <p style="text-align: right;">REC 2008-03</p> <p style="text-align: right;">REC. 2008-06</p> <p style="text-align: right;">REC 2008-09</p> <p style="text-align: right;">REC 2008-10</p>
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<p>P5: Benefits from the Forest (Forest Plantations)</p>	<ul style="list-style-type: none"> - AMCEL is the only company that manufactures timber chips for exportation in Amapá state and it generates huge benefits to the local and adjacent community, such as taxations, direct and indirect social actions, improvements in the life quality, etc. - The forest management is conducted in an objective and entrepreneurial manner to supply timber for manufacturing chips for exportation. - The forest activities are economically feasible and they consider the costs, environmental and operational aspects, ensuring the maintenance of the ecological productivity. - The growing productivity allows more efficiency to supply raw material for exportation. - The management activity practiced by the company stimulates optimization of forest and minimizes wastes associated with the harvest. - The company supplies other products (logs outside the dimension standards and bark) for industrialization or to be used as energy source by local and regional mills. These are feasible economic activities that contribute in the income and employment generation of the region. - The company promotes the use of local services and suppliers. - AMCEL uses essentially local workforce (direct employees and contractors), which contributes to generate jobs and revenue to the region. -The company does not use fire at its soil preparation procedures. -The company protects representative samples of the existing ecosystem in their natural states, identifying them on maps. -The harvesting and silvicultural equipments are adequate for the local conditions (topography, type of soil) and they are economically feasible. -There are formal operational procedures to control erosion and protect the water resources that minimize the damages during the harvesting and road constructions activities. -There is a program to recover the permanent conservation areas. 	<ul style="list-style-type: none"> -The company should evaluate the potential use of timber products at the forest management units to supply the local initiatives of productions fomented by the company. - There is not a demonstrative of data related to the forest operation productivity, costs and profit. 	<p>REC. 2008-07</p> <p>CAR 2008-02</p>
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	<ul style="list-style-type: none"> - There are formal procedures to control illegal fishing and hunting. - There is no conversion of forest areas for non-forest uses. - There is a continuous forest inventory program, in which the estimated production is equivalent to the estimate from the inventory. - There is compatibility between the current harvesting level and the growing data. - The harvesting of forestry products does not exceed the sustainable production level. - There is an adequate program to prevent fire. - The chemical products, containers, liquid and non-organic solid residues, including fuel and other lubricant oils are disposed in an environmentally friendly manner in an adequate place. - The use of biological controlling agents is documented, monitored and thoroughly controlled - The company does not use genetically modified organisms (GMO). 		
<p>P6: Environmental Impact</p>	<ul style="list-style-type: none"> - The company has been making extensive fauna surveys at the diverse phyto physiognomies of the region. - The fauna survey has been completed and a program is ready to be implanted. - The areas that have been assigned for High Conservation Forest Values have natural and well-preserved ecosystems. - There is a program to prevent forest fire. - The equipments used at the forestry activities are chosen taking into account the possible environmental impacts. - There are procedures and infrastructure implanted that are adequate for handling, deal, dispose and final destination of residues and packing. - There is an updated monitoring of the watershed. 	<ul style="list-style-type: none"> - The traffic conditions of some roads that give access to the plantations areas in some spots, with water accumulation. - The company should improve the connection between the Permanent Preservation Areas at some spots at the areas included in the certification scope. - The company should improve the program to get rid of exotic species from the Permanent Preservation Areas and from the Eucalyptus plantations. - The company should prepare a system that demonstrates data related to agrochemical consumption. 	<p style="text-align: center;">REC 2008.03</p> <p style="text-align: center;">REC 2008.05</p> <p style="text-align: center;">REC 2008-12</p> <p style="text-align: center;">REC 2008-15</p>

<p>P7: Management Plan</p>	<ul style="list-style-type: none"> - There is an adequate Management Plan that is appropriate to the scale and intensity of the proposed operations that have been implanted and updated. The long-term objectives and the ways to fulfill them are clearly described. - The forestry resources that will be managed have been described, and there is a management system according to its characteristics. - There are evidences that the planning and operational staff know the management plan. - A summary of the company's management plan is available for public consultation. - The management plan is reviewed from time to time. - There is a program to train direct employees and contractors. - The planning, implantation and maintenance of roads are carried out according to the technical specifications. - There are descriptions and justifications for the harvesting techniques and equipments used by the company. - There is an adequate control and storage of the harvested products. - There is a preventive plan and fire control, and trained staff with defined responsibilities. 	<ul style="list-style-type: none"> - It is necessary to elaborate maps that show the FMU 's neighboring areas. - There is not a fire-prevention device in the forestry equipment. 	<p>CAR 2008-04</p> <p>REC 2008-08</p>
<p>P8: Monitoring and Evaluation</p>	<ul style="list-style-type: none"> - There is an updated system to monitor the watershed that is being increased. - The fauna is being monitored and the flora monitoring will begin very soon. - There are monitoring programs available. - All gathered information in entered in bank data that are used to review both forestry operations and the management plan. - There is a system to control the costs and the productivity that protects the company's confidentiality. - The procedures adopted by the company allow the monitoring and traceability of every forestry product from its origin up to the moment is leaves the farm/ management unit. 	<ul style="list-style-type: none"> - There is no registration of how frequent and how severe the accidents at work have been. - There is not a demonstrative of the company's productivity, cost and profit and there are no demonstrative related to agrochemical products – a demonstrative like this would be useful at the long-term projections. 	<p>CAR 2008.01</p> <p>CAR 2008.02</p>

P9: Maintenance of High Conservation Value Forests	<ul style="list-style-type: none"> - AMCEL has defined all registered Legal Reserves and all Permanent Preservation Areas (according to clause 2 from Law number 4771/65) as High Conservation Value Forest up to the conclusion of fauna and flora surveys and up the definition of the attributes that will be preserved. 	<ul style="list-style-type: none"> - Definition of the specific areas qualified as High Conservation Value Forests. - Definition and adoption of a system to monitor these attributes. - Elaboration and adoption of a management plan that ensures the maintenance or enhancement of these attributes. 	<p style="text-align: center;">CAR 2008-09</p>
P10: Forest Plantation	<ul style="list-style-type: none"> - The objectives of the forest plantations are clear in the management plan, including the Permanent Preservation Areas and the Legal Reserves. - The company is in conformance with its obligation to maintain the legal reserves and it has been adjusting the Permanent Preservation Areas, when necessary. - Compared to the activities that involve the use of land in the vicinity, the forest plantations promote protection to the remaining natural areas, which allow the conservation of important wild life habitats. - The natural ecosystems are protected and identified on maps. - The company's properties are spread throughout several municipalities in Amapá state, which allow the development of a marketplace. - The selection of the species that will be planted is based on their adaptation to the region, according to the management plan. - Modern and adequate soil preparation techniques have been adopted in order to keep the soil integrity (minimum cultivation), without using fire, with correct disposal of the branches and reducing compacting. - The erosive processes are controlled and monitored, which reduce the impacts over the water resources. - The company adopts techniques that are compatible to the local conditions (topography, type of soil, climate, etc). - There are justifications for the application and dosing of chemical products. - There are evidences that the company has been working to optimize pesticide application (programs to monitor ants and weeds in the early stages of the implantation) and replacement of these products by lighter active principles and/or mechanical methods (elimination of Eucalyptus budding, mechanical hoe). 	<ul style="list-style-type: none"> - Significant planted areas mostly carried out using only one or two clones. - The current registration situation of the Amapá 's properties. - There is not a social impact survey. - There is not a harvesting plan that seeks to minimize the impacts over watersheds; there are no mosaic formation studies. - There is deficiency of the rain water drainage in certain spots on the roads that give access to the forest plantations. - The company should implant connective areas. - The plan to get rid of exotic species should be improved. 	<p style="text-align: center;">PRE 2008-01</p> <p style="text-align: center;">CAR 2008-03</p> <p style="text-align: center;">CAR 2008-07</p> <p style="text-align: center;">CAR 2008-08</p> <p style="text-align: center;">REC 2008-03</p> <p style="text-align: center;">REC 2008-05</p> <p style="text-align: center;">REC 2008-12</p>

	- AMCEL did not deforest any area to convert in into Eucalyptus plantation from 1994 on. The Preservation areas have been increased ever since.		
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4.2 Preconditions

Preconditions are major corrective action requests that are placed on a forest management operation after the initial evaluation and before the operation are certified. Certification cannot be awarded if open preconditions exist.

The following pre-conditions were placed on AMCEL during their initial evaluation. They have all been closed to the satisfaction of the audit team.

Background/Justification: Most part of the new plantations is done with only two or three clones, which makes the enterprise vulnerable to the risk of climate change.	
PRE 2008-01	The company shall introduce reports with evidences of the forestry enterprise sustainability, taking into account the physiologic, pathologic and adaptation problems, etc, that may affect clones planted in long scale.
Reference	<i>FSC Criterion P10c3 i1</i>
Company's Measures	
The company has prepared a thorough evaluation about this issue, seeking technical support to obtain conclusions about the usage of clones in large scale. The survey has demonstrated that using the clone 3911 is SAFER and MORE SUSTAINABLE in more than 45% of the plantations. In the auditor's opinions, this clone is surely more productive and its more productivity is linked to the uncertainties mentioned earlier. The company is fully aware of this risk and it is committed to develop a continuous survey to seek other genetic materials that are adapted to the region. The auditors consider that the pre- condition has been complied.	
Pre-condition complied	

Background/Justification: The company has isolated measures to follow up and monitor the safety at the workplace. So, it is not possible to evaluate it and implant it according to the needs and the scale of the enterprise. These measures shall be included in a safety management plan and medicine at work; the company may use the Environmental Management Plan as model.	
PRE 2008-02	The company must develop a safety at work management plan. It must include on the plan the demonstratives and analysis of accident and incidents registrations and the CIPA program must be integrated between AMCEL and the contractors.
Reference	<i>FSC Criterion P4c2Ci1; P4c12 i1</i>
Company's Measures	
AMCEL has introduced a Safety and Medicine at Work Plan that include all the health and safety policy adopted by the company (map of risks, risk analysis, training, risk communication, safety dialogue, SIPA, SIPATR, monitoring of accidents and incidents for all activities), which will be implanted and monitored through information bank data.	
Pre-condition complied	

5.0 CERTIFICATION DECISION

5.1 Certification Recommendation

As determined by the full and proper execution of the SCS *Forest Conservation Program* evaluation protocols, the evaluation team hereby recommends that AMCEL - AMAPÁ FLORESTAL E CELULOSE LTDA be awarded FSC certification as a "Well-Managed Forest" subject to the corrective action requests stated in Section 5.2. AMCEL - AMAPÁ FLORESTAL E CELULOSE LTDA has demonstrated that their system of management is capable of ensuring that all of the requirements of the SCS Interim Standard for Forest Plantations Management Certification in Brazil, version 01, November 2007 are met over the forest area covered by the scope of the evaluation. AMCEL - AMAPÁ FLORESTAL E CELULOSE LTDA has also demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate.

5.2 Initial Corrective Action Requests

Background/Justification: AMCEL must introduce a Safety Management Plan that must be elaborated as a pre-condition for certification.	
CAR 2008.01	The company shall implant a safety at work management plan, in response to PRE 2008-02
Deadline	<i>First Annual Audit</i>
Reference	<i>Criterion P4c2Ci9; P4c2Ci1; P4c2Ci7</i>

Background/Justification: The Company gathers information about forest operation productivity and yield; however, the data are not entered and organized in a system that enable an assessment and subsequently use them as a tool to track the tendencies throughout the years and supply subsidies for the company's management and politics decision making.	
CAR 2008.02	Organize in a system and analyse forest operation productivity, costs and financial information, aiming an efficient monitoring. Results must be presented in next annual audit.
Deadline	<i>First Annual Audit</i>
Reference	<i>FSC Criterion P5c3i1; P8c1i1</i>

Background/Justification: AMCEL must change the registration of its estate due to the corrections of the area caused by the identification and transfer of the area to the community. As the first stage of the correction process, the company is geo coding its areas and the bordering areas. When the geo coding process is over, probably in October 2008, the company will protocol the documentation in cartulary's office and it will await the issuance of a new estate registration. After the registration at the cartulary's office, the renewal process is outside the company's scope. This process will be followed closely at the next audits.	
CAR 2008.03	The company must present documentation protocols to comply with law number 10.267 from the twenty-eighth of August, 2001 and Decree number 4.449 from the thirtieth of October 2002.
Deadline	First annual audit
Reference	<i>FSC Criterion P2c2i3; P7c1i7)</i>

Background/Justification: The elaboration of the neighboring areas would make the auditor's works easier and it would make the company's own work easier due to the extensive area and the bordering community.	
CAR 2008.04	Amcel must present maps showing neighboring areas.
Deadline	First Annual Audit
Reference	<i>FSC Criterion (P2c2i3; P7c1i7)</i>

Background/Justification: AMCEL has been following closely all illegal occupation and the settler's activities inside its area, and it has adopted procedures to minimize confrontation and convince them to leave the area.	
CAR 2008.05	The company must show a juridical report to demonstrate the status of the processes that involve settlers and illegal occupation at the areas that have been included at the certification scope.
Deadline	First annual audit
Reference	<i>FSC Criterion (P2c3i4)</i>

Background/Justification: AMCEL must make its social and environmental programs available to the public in order to minimize conflicts with the community and provide a closer follow up and support to the company's activities.	
CAR 2008.06	The company must prepare a strategy to make both social and environmental programs developed by the company available to the public and it must create a dialogue channel with the society in general.
Deadline	First annual audit
Reference	<i>FSC Criterion (P4c1i2; P4 C4 i2)</i>

Background/Justification: AMCEL must demonstrate evidence that it has concrete information (indicators) of the situation of the communities before, during and after the intervention through several social programs that had been developed. The company should demonstrate which the impacts caused are, and if they are eventually negative, the company should adopt strategies to minimize them.	
CAR 2008.07	The company shall finish new survey of the social impacts and it shall elaborate mitigate measures for the negative impacts. Amcel must update the result in the management plan.
Deadline	First annual audit
Reference	<i>FSC Criterion (P4. C4 i1; P4 C5 i1; P10 C8 A)</i>

Background/Justification: The annual harvesting plan must take into account the watersheds sustainability that is present inside the FMUs. Extensive continuous harvest areas may affect the watersheds, which cause negative impacts over the fauna.	
CAR 2008.08	The company must elaborate an adjusting survey of its harvesting and plantation operation chronograms to prevent cutting huge extension of areas, seeking the formation of a mosaic in the landscape.
Deadline	2009 audit
Reference	<i>FSC Criterion (P10 C2 i1; P10 C2 i2; P10 C2 i3; P10 C2 i5)</i>

Background/Justification: AMCEL has defined the registered Legal Reserve area, and all Permanent Preservation Areas, according to Article 2 from Law 4771/65, as High Conservation Value Forest up to the finalization of fauna and flora surveys and the up to the definition of the attributes that will be preserved.	
CAR 2008.09	After the conclusion of fauna and flora survey and the definition of attributes that will be preserved, AMCEL shall: <ul style="list-style-type: none"> a) define the specific areas qualified as High Conservation Value Forest; b) define and adopt a monitoring system for these attributes; c) elaborate and adopt a management plan that ensures the maintenance or enhancement of these attributes.
Prazo	2009 audit
Referência	<i>FSC Critério (P9c3i1; P9c3i2; P9c4i1)</i>

Recommendations

Background/Justification: According to NR 31 and P4c2Di2, the company should offer regular training programs to all supervisors and employees (for both direct employees and contractors). These training programs should be specific and they should be coordinated by experts from the area (e.g. nurses, work doctors).

REC 2008.01	At least two employees from every working unit should be submitted to first aid training.
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Background/Justification: During some timber harvest operations, the signals used to prevent accidents were not very clear and they were not close to some working units.

REC 2008.02	The company should install visible signs and place them closer to the operational sites (P4C2Fi2)
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Background/Justification: Flooding areas, formation of drainage basin at road bed have been found that restricts the access and disturbs the traffic in these regions.

REC 2008.03	The company should improve the traffic of the roads that give access to the plantation areas, reducing the possibility of water accumulation on the road bed.
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Background/Justification: It has been found that some chainsaw operators had been working with protection pants that were badly damaged (torn)

REC 2008.04	The company should replace the personnel protection equipment whenever they are badly damaged.
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Background/Justification: The connectivity between the preservation areas is very important for the fauna protection.

REC 2008.05	The company should evaluate the possibility to implant connective areas between the Permanent Preservation Areas, mainly between the preservation areas that are isolated by huge plantation areas (P10 C2 I6).
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Background/Justification: The company allows the non-predatory collect of non-timber products at its properties; however, there is not any formal contract for this.

REC 2008.06	The company should formalize and agreement with the communities that live adjacent to the management area for non-predatory collect of non-timber products at the company's properties (P4 C13 i1)
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Background/Justification: AMCEL promotes social projects, including qualifying youngsters for joinery work. As there are not so many suppliers available, the company should evaluate the possibility to supply wood for these projects.

REC 2008.07	The company should evaluate the possibility to supply timber to the local initiatives that have been sponsored by the company.
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Background/Justification: There are frequent forestry equipment fires in devices that do not have the shower system. In order to prevent economic losses and environmental damages, the company should evaluate the possibility to introduce this system at all the equipment used by the company.

REC 2008.08	The company should evaluate the possibility to adapt fire-prevention system in the forestry harvesting equipment.
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Background/Justification: There are no nursery schools in Tartarugalzinho. However, there are several women working at the company's seedling nursery who have difficulty to find a place to leave their children during their work schedule.	
REC 2008.09	The company should evaluate the possibility to establish a nursery school in Tartarugalzinho in partnership with the municipal leaders in order to provide assistance to the company's seedling nursery female employees.
Background/Justification: AMCEL has discontinued the labor gymnastic program that used to be developed at its seedling nursery. Some employees have requested that this program is restarted.	
REC 2008.10	The company should evaluate the possibility to return the labor gymnastic program, especially at the seedling nursery activities.
Background/Justification: The staff that applies chemical products returns to their homes after their working journeys wearing the same shoes they had been wearing at work.	
REC 2008.11	The company should develop hygiene procedures for the shoes worn by the employees that apply chemical products after they leave the field.
Background/Justification: The company has a plan to eradicate invasive species; however, it should be concluded, including a schedule of the activities.	
REC 2008.12	The company should improve its exotic species eradication plan at the preservation areas, including the schedule of all areas that had been identified and mapped (P10 C4 i3).
Background/Justification: The workers should be aware of the legislation pertinent to the activities they are involved in.	
REC 2008.13	The company should include at its recycling programs all requirements related the activities involved.
Background/Justification: It is very important that all new employees are aware of the company's principles before they have access to their working place.	
REC 2008.14	The company should elaborate procedures for the access of new employees at AMCEL's management areas.

6.0 SURVEILLANCE EVALUATIONS

If certification is awarded, surveillance evaluations will take place at least annually to monitor the status of any open corrective action requests and review the continued conformance of AMCEL to the SCS Interim Standard for Forest Management Plantations in Brazil, version 01. Public summaries of surveillance evaluations will be posted separately on the SCS website (www.scs-certified.com).

7.0 SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES

The following is a summary of the SCS Complaint and Appeal Investigation Procedures, the full versions of the procedures are available from SCS upon request. The SCS Complaint and Appeal Investigation Procedures are designed for and available to any individual or organization that perceives a stake in the affairs of the SCS Forest Conservation Program and that/who has reason to question either the actions of SCS itself or the actions of a SCS certificate holder.

A **complaint** is a written expression of dissatisfaction, other than **appeal**, by any person or organization, to a certification body, relating to the activities of staff of the SCS Forest Conservation Program and/or representatives of a company or entity holding either a forest management (FM) or chain-of-custody (CoC) certificate issued by SCS and duly endorsed by FSC, where a response is expected (ISO/IEC 17011:2004 (E)). The SCS Complaint Investigation Procedure functions as a first-stage mechanism for resolving complaints and avoiding the need to involve FSC.

An “**appeal**” is a request by a certificate holder or a certification applicant for formal reconsideration of any adverse decision made by the certification body related to its desired certification status. A certificate holder or applicant may formally lodge an appeal with SCS against any adverse certification decision taken by SCS, within thirty (30) days after notification of the decision.

The written Complaint or Appeal must:

- Identify and provide contact information for the complainant or appellant
- Clearly identify the basis of the aggrieved action (date, place, nature of action) and which parties or individuals are associated with the action
- Explain how the action is alleged to violate an SCS or FSC requirement, being as specific as possible with respect to the applicable SCS or FSC requirement
- In the case of complaints against the actions of a certificate holder, rather than SCS itself, the complainant must also describe efforts taken to resolve the matter directly with the certificate holder
- Propose what actions would, in the opinion of the complainant or appellant, rectify the matter.

Written complaints and appeals should be submitted to:

Dr. Robert J. Hrubes
Senior Vice-President
Scientific Certification Systems
2200 Powell Street, Suite 725
Emeryville, California, USA94608
Email: rhrubes@scscertified.com

As detailed in the *SCS-FCP Certification Manual*, investigation of the complaint or appeal will be confidentially conducted in a timely manner. As appropriate, corrective and preventive action and resolution of any deficiencies found in products or services shall be taken and documented.