

**FOREST PLANTATION MANAGEMENT AND CHAIN OF CUSTODY
EVALUATION, FROM THE FOREST TO THE FINAL PRODUCTS, TEN-
YEAR RECERTIFICATION PROCESS FROM PLANTAR S/A LOCATED
IN CURVELO REGION - MINAS GERAIS – BRAZIL**

Conducted under the Auspices of the SCS Forest Conservation Program

SCS is an FSC Accredited Certification Body

Submitted to:

PLANTAR S.A

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BRASIL

SCS-FM/COC-00057P

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BY

SCIENTIFIC CERTIFICATION SYSTEMS

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Report Organization

This report is the result of the Audit Evaluation Team and it is divided in two parts. Part A is comprised by the Public Summary and by the basic information required by FSC (Forest Stewardship Council). Part A is available to the public in general and it is intended to provide a general overview of the evaluation process, of the administrative and management programs, of the forest-related plan of action, and of the evaluation result. Part A is going to be available at SCS webpage (www.scscertified.com) up to thirty days after the recertification. Part B contains more detailed information for the organization use.

Partial Certification Process

This is PLANTAR S/A's recertification process, which is located in Curvelo region, in Minas Gerais state. PLANTAR S/A manages an area which is 34.917,56 hectares long in Curvelo region. From the area just mentioned, an area which is 33.949,13 hectares long is object of this certification, and the remaining area, corresponding to 1.271, 74 hectares is non-certified area (see section 1.3.2).

FOREWORD

According to FSC system, the Forest Operations which comply with the Forest Management Certification Standards may be certified as “well-managed”, and therefore they are eligible to use FSC logo for promotional use. This certification is valid for a five-year period. A new evaluation must be carried out for re-certification every five years.

SCS - Scientific Certification Systems, an FSC (Forest Stewardship Council) -accredited certification body has been hired by PLANTAR S.A. to carry out the ten-year recertification evaluation at the forests which are located in Curvelo, Felixlândia and Morada Nova de Minas, in Minas Gerais state, Brazil. These Forests Units have an area which is 33.949, 13 hectares long, and it is comprised by 21.585,87 hectares of Eucalyptus plantation and 9.912, 48 ha is conservation area with native vegetation.

The interdisciplinary team expert in natural resources has gathered and analyzed written documentation. It has also performed Stakeholder Consultation with questionnaires and public meeting, it has also arranged interviews, carried out field and office audits for four days at the properties in order to perform the certification evaluation. When the gathering of data was completed, the team concluded that the organization keeps complying with all FSC criteria, and therefore, it recommends that the organization is recertified.

This report is meant to provide support for the ten-year FSC - recertification recommendation for PLANTAR S / A 's forest management units in Minas Gerais state. As detailed below, some pre conditions (also known as Major Corrective Actions) have been defined by the evaluation team after the conclusion of the field audit and they were, subsequently delivered to PLANTAR S/A. The organization has 100% complied with all the Major Corrective Actions before the conclusion of this report, according to inspection carried out by SCS. If the certification is granted, SCS will have the Public Summary available at SCS webpage (www.scscertified.com).

LIST OF CONTENTS

FOREWORD	ERROR! BOOKMARK NOT DEFINED.
PART A - PUBLIC SUMMARY AND BACKGROUND INFORMATION	4
1.0 GENERAL INFORMATION	4
1.1. FSC DATA REQUEST.....	6
1.2 FOREST MANAGEMENT CONTEXT	ERROR! BOOKMARK NOT DEFINED.
1.2.1. <i>Environmental Context</i>	6
1.2.2. <i>Socio-economic context</i>	7
1.3. FOREST MANAGEMENT ENTERPRISE.....	9
1.3.1. <i>Land Use</i>	9
1.3.2. <i>Land Outside Scope of certification</i>	10
1.4. FOREST MANAGEMENT	10
1.4.1 <i>Management objectives</i>	Error! Bookmark not defined.
1.4.2 <i>Forest Composition</i>	Error! Bookmark not defined.
1.4.3 <i>Silvicultural System</i>	Error! Bookmark not defined.
1.4.4 <i>Management System</i>	Error! Bookmark not defined.
1.4.5 <i>Monitoring system</i>	Error! Bookmark not defined.
1.4.6 <i>Estimate of Maximum sustainable Yield</i>	Error! Bookmark not defined.
1.4.7 <i>Estimated, Current and Projected Production</i>	Error! Bookmark not defined.
1.4.8 <i>Chemical Pesticide Use</i>	Error! Bookmark not defined.
2.0 2.0. GUIDELINES/STANDARDS EMPLOYED	ERROR! BOOKMARK NOT DEFINED.
3.0 THE CERTIFICATION ASSESSMENT PROCESS .	ERROR! BOOKMARK NOT DEFINED.
3.1 ASSESSMENT DATES	ERROR! BOOKMARK NOT DEFINED.
3.2 ASSESSMENT TEAM	ERROR! BOOKMARK NOT DEFINED.
3.2.1 <i>Peer Reviewers</i>	18
3.3 EVALUATION PROCESS	18
3.3.1 <i>Itinerary</i>	18
3.3.2 <i>Evaluation of Management System</i>	Error! Bookmark not defined.
3.3.3 <i>Selection of FMU's to Evaluate</i>	21
3.3.4 <i>Sites Visited</i>	21
3.3.5 <i>Stakeholder Consultation</i>	22
3.3.5.1 Model – Stakeholder consultation.....	24
3.3.5.2 Model – Stakeholder consultation questionnaire	25
3.3.5.3 Summary OF Stakeholder Concerns	26
3.3.6 – <i>Other Assessment Techniques</i>	29
3.5 –PROCESS OF DETERMINING CONFORMANCE	29
4.0 – RESULTS OF THE EVALUATION	30
4.1 - NOTABLE STRENGTHS AND WEAKNESSES OF THE FOREST MANAGEMENT ENTERPRISE RELATIVE TO THE P&C	30
4.2 PRECONDITIONS OR MAJOR CARs	36
5.0 – CERTIFICATION DECISION	39
5.1 – CERTIFICATION RECOMMENDATION	39
5.2 – INITIAL CORRECTIVE ACTION REQUESTS.....	39
6.0 – SURVEILLANCE EVALUATIONS	42
7.0 SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES	42

SECTION A – PUBLIC SUMMARY AND BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 – DATA REQUIRED BY FSC

Certified company	PLANTAR S.A.	
Contact:	Fabiano Goulart Environmental Manager	
Address:	Av. Raja Gabaglia n° 1380 30380-090 – Belo Horizonte – Estado de Minas Gerais BRASIL	
Phone/Fax:	+ 55 (31) 3290-4000 + 55 (31) 3290-4087	
Email:	fabiano@plantar.com.br	
Web page:	www.plantar.com.br	
Certification type:	Single FMU	
Certificate Number	SCS-FM/COC-00057P	
Certificate Dates	June 2, 2008 – June 2, 2013	
Number of FMUs	Multi FMU, but with a single management plan. Increase of certified area.	
Number of evaluated FMU under 100 ha	3	
From 100 to 1,000 ha	0	
From 1,000 to 10,000 ha	1	
Over 10,000 ha	2	
Location of forest to be certified		
Latitude	18° 43'14.68" S 45° 26'5.95" W	18° 38'53.18" S 45° 27'13.65" W
Longitude	18°51'49.71" S 45° 25'31.41" W	18° 56'24.95" S 44° 30'2.01" W
Forest Region	Subtropical (Minas Gerais Central - North Region)	
Total forest area included in the FMU	34.597,15 ha	
Less than 100 ha	0 ha	
100 to 1,000 ha	0 ha	
1,000 to 10,000 ha	9.295,41 ha	
Over 10,000 ha	24.653,72	
Land tenure	Private (100%)	
Number of workers (including contractors) working in the forest within the scope of the certificate	1.790 Direct Workers and 185 Outsourced Workforces.	

Protection forest area which is set aside and managed, preferentially, for conservation purposes objectives	9.912,48 ha
Area of forest classified as of high conservation value	3.653,86 ha
List of high conservation values present	<ul style="list-style-type: none"> - This is considered an important region which serves as protection for the remaining Cerrado vegetation, and it is considered by Conservation International as a key component of Biodiversity Hotspot (HCVFs) Reserva Meleiro, Reserva Jacaré and Reserva Tamanduá) - High biodiversity of fauna and flora species HCVFs Reserva Meleiro, Reserva Jacaré e Reserva Tamanduá) - High concentration of pequiizeiro - <i>Caryocar brasiliense</i>. This species is protected by State Law 10.883/92, which declares that it must be permanently preserved and must not be cut in Minas Gerais state. (HCVFs Reserva Meleiro). - Water Reload Area (HCVFs Reserva Tamanduá)
Productive forest area	22.036,58
Productive forest area classified as "plantations" for the calculation of the Annual Accreditation Fee (AAF)	Similar
List of commercial timber included in the scope of the certification (botanical and popular names)	<i>Eucalyptus</i> sp. (Hybrids of <i>E. grandis</i> and <i>E. urophylla</i>)
Approximate annual volume authorized for harvesting	600.000m ³ of bolt (small logs) without bark / year.
List of product categories included in the scope of the joint FM/COC certificate that, therefore, can be sold as FSC-certified products	Eucalyptus Logs and Bolts (small logs)

1.2 FOREST MANAGEMENT CONTEXT

The forest plantation management developed by PLANTAR S/A at its units in Minas Gerais must comply with all national laws and regulations related to this activity. The following regulations must be complied:

Pertinent Regulations at Federal Level:

- a) Brazilian Forestry Code (Law Nr. 4771/65) and corresponding regulations.
- b) Provisional Measure 2.166-67 of August 24, 2001, which alters Law 4.771/65 (Forest Code).
- c) National System for Conservation Units Regulations (Law 9.985/2000).

Pertinent Regulations at State Level:

- a) COPAM 74 Resolution from September 9, 2004, which determines the documents and the procedures for licensing the forest management activities in Minas Gerais State.
- b) Law 14.309 from September 16, 2002 and Decree 43.710 from August 1, 2004 which determine the Forest State Policies and Biodiversity Protection.

Pertinent Regulations at local level:

ISSQN (municipal service tax) payments, when third part services are used.

In addition, all work-related tax payments at the federal level are mandatory, including:

- a. Social security payments
- b. FGTS (Government severance pay indemnity fund) payments
- c. Labor Union fees (Union dues).

1.2.1 Environmental Context

PLANTAR S/A forests, which are object of the recertification evaluation, are located in Minas Gerais state central plateau, in the vicinity of Curvelo municipality. It is 600 m above sea level, and it is 700 km far from Atlantic Ocean.

Curvelo region, is located at *Província Geotectônica do São Francisco (São Francisco Geotectonic Province)*, with a depression which gets more and more open, slightly wavy, or slightly sub horizontal, covered with open pasture and fields as it gets farther from its fountain in Serra da Canastra.

Curvelo region belongs to São Francisco hydrographic valley. Curvelo region is located inside *Rio das Velhas, Rio Paraopeba, Rio Cipó* and *Rio Bicudo* sub valleys and Represa de Três Marias. The climate is subtropical and there is a highly dry season which lasts from April to October; January and February are the months with more rainfalls. The average annual rainfall is between 1.100 to 1.200 mm. The average temperature in the warmest month is 26° C and in the coldest one is 21°C.

The type of soil that prevails in the region, in most parts, is argillaceous, with low natural fertility and low organic material content. The most common types of soils are Red Latosol and Yellow and Red and Yellow latosol and cambissoils. Another physical characteristic is the argillaceous texture, with clay content between 30 and 40%.

Beside the Cerrado, the main phytofisionomy present are Campo Cerrado, o Campo Limpo and Decidual Forests (at the bottom of the valleys and in soils with more fertility and more moisture). Nowadays, these characteristics have been severely altered due to several anthropic 's interventions. These anthropic activities allow the observation of a regenerating process in several stages along the Cerrado fragments.

During the last 25 years, at least 40 % of all Cerrado extension has been either converted into pasture or deforested in order to supply wood for the charcoal industry; it has also been used for agricultural purpose. Even though it does not have the same level of protection when compared to other biomas protected by Brazilian Constitution, Cerrado has been considered since 2000 a Hotspot Biodiversity to the great level of endemism present and the current level destruction of the habitats.

There are areas in Curvelo region that are still preserved, in parts due to intensive environmental activities; great richness in vegetal species can be found, with the presence of species such as *Aroeira* (*Myracrodruon urundeuva*), specie which is vulnerable according to Minas Gerais state 's List of Fauna and Flora Endangered species, and Pequiizeiro (*Caryocar brasiliense*); there are also several fruit trees typical from Cerrado, such as araticum (*Annona crassiflora*) and cagaita (*Eugenia dysenterica*).

1.2.2. Socio-Economic Context.

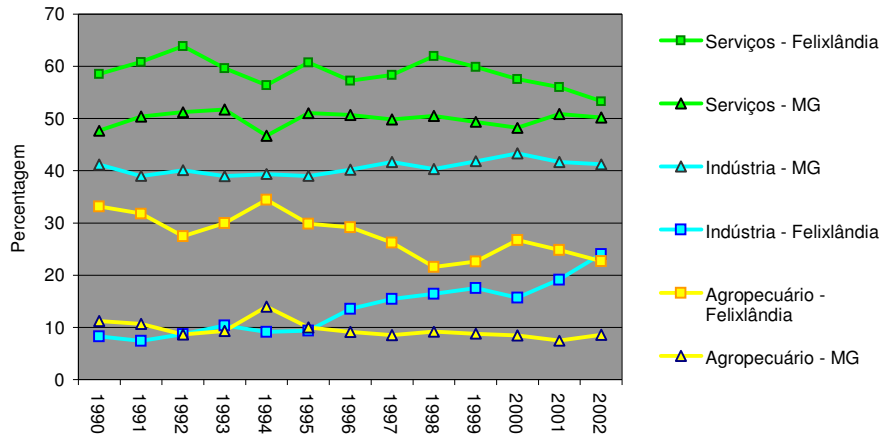
PLANTAR 's forest areas are distributed in three Minas Gerais municipalities: Curvelo, Felixlândia and Morada Nova de Minas, all of them located in the Northern region of Belo Horizonte. The municipality of Curvelo, which is considered a medium –sized city, has a population of about 70,000 inhabitants, according to 2000 Demographic Census, indicating that there has been an evolution in the last few years. The other two municipalities are considered small - Felixlândia has 12.784 inhabitants and Morada Nova de Minas only 7.606 inhabitants.

According to the main socio-economical indicators, there are some level of poverty in the municipalities of Felixlândia and Morada Nova de Minas, and their economies are based on commercial, farming and forest activities. In Felixlândia and Morada Nova de Minas, the commercial / service sector is responsible for the city revenue, with participation that is a little bit above the state average, which is about 50 % of the total value from last year, according to Figures 1 and 2.

In Felixlândia municipality, the industry activity, which is the second most important sector in the state and in the municipality, had, in 2002, an insignificant participation in the revenue, with 24, 0% of it, while in the state level, the industrial activity corresponds to 41,2 % (Figure 1). However, the sector has a tendency to increase its participation, different from the farming sector, whose participation in the municipal revenue has fallen from 33,2 % to 22,7 % in the same period. This last value, however, is higher than the state average for the sector, which was 8, 6% in 2002.

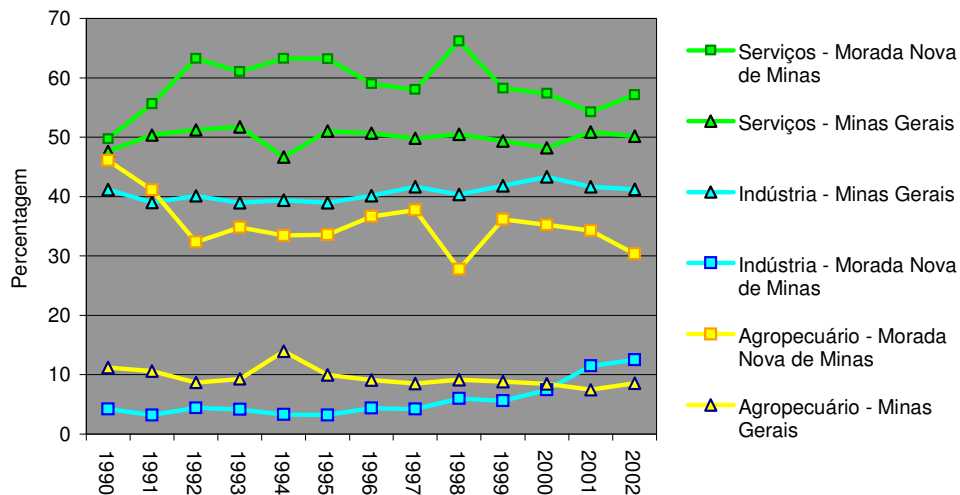
In the municipality of Morada Nova de Minas, the percentage represented by the industrial sector is 12,5 %, and it is very below the average from Minas Gerais state, which is slightly above 40% (Figure 2). The farming sector has a participation in the municipality which is bigger than in the state level, 30,3 % and 8,6 %, respectively.

FIGURE 1 - Evolution in the percentage distribution of Revenue per economical activity sector - Minas Gerais and Felixlândia - from 1990 to 2002



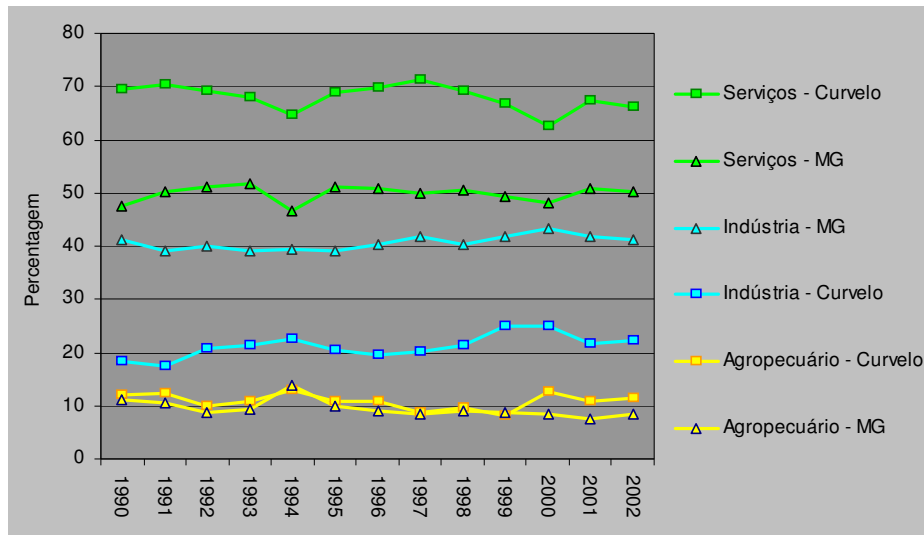
In the municipality of Morada Nova de Minas, the percentage represented by the industrial sector is 12,5 %, and it is very below Minas Gerais state average, which is slightly above 40 % (Figure 2). The farming sector participation in the municipality is bigger than in the state level, 30,3 % and 8,6 %, respectively.

FIGURE 2 - Evolution in the percentage distribution of Revenue per economical activity sector - Minas Gerais and Morada Nova de Minas - from 1990 to 2002.



In the municipality of Curvelo, the commercial / service sector is the main job provider and it has a participation of about 70 % in the revenue, a value that is above the state average. The opposite occurs in the industrial sector, where its percentage representation in Curvelo municipality is 20 %, and it is well below Minas Gerais average (Figure 3). The farming sector has a very similar behavior in the state and in the municipality, representing about 10 % of the revenue.

FIGURE 3 - Evolution in the percentage distribution of Revenue per economical activity sector - Minas Gerais and Curvelo - from 1990 to 2002



The total revenue of Curvelo municipality in 2002 was R\$ 249.412.840,00, representing 0,2116 % of the state total amount, a participation that is smaller than the one from the municipality in the state level (0,3779 %). The result, in terms of revenue per inhabitant, is R\$ 3.566,59, which is equivalent to an average 1, 49 minimum wage a month. The same value, in minimum wage was verified in the municipalities of Felixlândia e Morada Nova de Minas, while the state average is R\$ 6.369,72, or 2, 65 minimum wages. According to 2000 Census data, while about 20,62 % of the workers in the state receive one minimum wage, in Curvelo, 26,41 %, in Morada Nova de Minas 28,56 % and in Felixlândia 31,03 %. Approximately 1,35 % of the workers receive more that 20 minimum wages in Minas Gerais state, while in Curvelo, only 0,79 %, in Morada Nova de Minas only 0,41 %, and in Felixlândia, only 0,46 %.

There are several important organizations in the region, which has been negotiating better salaries for the workers. Among them there is an organization called *Curvelo´s Rural Workers Union*, which has a significant number of PLANTAR´s employees as members. There is also an association of rural community residents that live in the vicinity of FMU MG-01 – Paiol de Baixo, Paiol de Cima, Meleiros and Canabrava; there is still Felixlândia Rural Union.

In terms of education, the illiteracy rate in the state among the people who are older than ten years old is 9,65 %. In Curvelo, the illiteracy rate is 9, 59 %, in Felixlândia it is 9,14 %, and in Morada Nova de Minas, it is 11,36 %. The best levels of education are in the urban area. In the rural area, the average of years studied is not enough even to conclude the primary school (four-year period); in the vicinity of PLANTAR project it is a little bit better than in the rural area itself.

In terms of infant mortality rate, (related to the number of dead children under one year old by one thousand who are born alive) the information is from 1998 (DATASUS). According to the numbers, the infant mortality rate in Morada Nova de Minas is 17,45 deaths per one thousand who are born alive; Curvelo got in second place, with an infant mortality rate of 28,40, and at last Felixlândia, whose rate is 39,96.

In order to evaluate the life quality of the population at the areas in the vicinity of the plantations, some information is considered, which had been gathered in the 2000 Demographic Census. Among them is the population access to food and water. As a natural characteristic, the Cerrado is an indicator of drought and consequently, lack of water. The problem of lack of water or reduction in the volume available present among the rural communities, is more severe among the ones who live near the source of Buritis brook, in Felixlândia. The main discussion is related to the dam that got dried, and which remained dried even after the rain season in 2004. Besides the association between lack of water and Eucalyptus plantation, there is also the problem related to the building of hydrographical barriers along

the plantations, and according to members of the community, held the water which previously ran into the dam. So, the forest companies became suspicious, and it has to tackle the opposition of great part of the population, who feel that its traditional activities are threatened.

With all the numbers presented, it has been concluded that the municipalities have several social problems.

1.3. FOREST MANAGEMENT ENTERPRISE

1.3.1 Land Use.

PLANTAR´s forest management units, located in the Central Plateau, in the Curvelo region (MG) are 33.949,13 ha long. From this total, 21.585,87 corresponds to the effective plantation of Eucalyptus, 7.088,35 ha is legal reserve, 2824,13 ha corresponds to conservation areas (areas of conservation and permanent preservation), 430,00 ha is available for plantation and 2.000,32 ha corresponds to the infrastructure (road, headquarters, etc). In all areas planted, PLANTAR S/A uses short cycle forest management with fixed rotation. In all cultivated areas, PLANTAR S/A practices fixed rotation short-cycle forest management.

All PLANTAR´s actuation area and its vicinity are recognized as ideal for forest activities or for extensive cattle breeding and it is rarely used for agriculture.

The areas in the vicinity are comprised by small and medium properties and the land tenure is pacific. Some neighbors show signs of antipathy, especially because of the lack of water. The eventual social – environmental impacts to be considered were revealed and identified in the Stakeholder Consultation process, as presented on item 3.3.5.3.

1.3.2 Land outside Certification Scope

In 1998, PLANTAR decided to have part of its forest evaluated by FSC. The option by partial certification had been indicated in that time because of the low demand for certified products. The evaluated areas were certified, and the remaining productive areas had been included outside the certification scope.

For PLANTAR´s ten-year recertification, the organization has submitted five new areas to be evaluated and included in the certification scope, adding a total of 1.271,74 ha. However, as these areas have been purchased recently, some documents for evaluation are missing, such as: COPAM Environmental License, for Varginha I and II farms (MG 02), Extrema (MG-02); 1994 satellite image and chronological record from Buriti do Meio farm (MG-03). So, the audit team has requested the documentation for 2009 evaluation audit, and possibly to include these areas in the certification scope.

Nevertheless, the evaluation demonstrate that the farms comply with SCS SOP on Partial Estate Certification, and it does not involve GMO, Conservation Conversion of natural vegetation to plantation, Major human rights violations, Illegal activities and Use of FSC prohibited pesticides (except the ones used under derogation request).

These areas are clearly outside the certification scope and they were excluded from the certified area list. As part of these areas have not been planted yet, and the remaining has been planted recently, it will take five years to harvest the products, and consequently, there is no possibility to make confusion with the certified areas and products, and they will be evaluated once again in 2009 to be included in the certification scope.

1.4. MANAGEMENT PLAN.

1.4.1. Management Objectives.

The objective of PLANTAR 's Forest Management is to produce Eucalyptus forests using high productivity clones for:

- Supplying the vegetal charcoal demand from the GRUPO PLANTAR 's Metallurgical mills which are in Inhaúma district, Sete Lagoas – MG.
- Supplying the wood demand of UNIDADE DE PRESERVAÇÃO DE MADEIRA, located in Curvelo -MG, in order to manufacture poles, fence post, cross ties, etc.
- Reduce the green house gases emissions by implanting sustainable Eucalyptus forest plantations to supply vegetal charcoal to manufacture primary iron.

1.4.2. Forest Composition.

PLANTAR S/A REFLORESTAMENTO was founded in 1967 and it is the company that gave origin to GRUPO PLANTAR. It has always worked as a forest engineering organization. PLANTAR 's main activity is Forest Management, including silvicultural practices, nursery administration, plantation and maintenance of forest, complete formation of forest, either planted with Eucalyptus or Pinus. The cellulose pulp industries, the panel boards industries, the metallurgical industries and the pencil industries are among PLANTAR 's main clients.

The certified enterprises are located in Minas Gerais state central region. PLANTAR has been in operation in the municipality of Curvelo since the 60's. In Felixlândia and in Morada Nova de Minas / Biquinhas, the plantations started in 2006 and 2003, respectively. From 2006 to 2008, new properties were acquired in the region, and part of it has been incorporated into FSC-Certified areas. Nowadays, the total certified area corresponds to 33.949,13 ha, and it is distributed as follows:

Property / Municipality		Classification – Use and Occupation of Soil Updated in: May/2008					Total (ha)
		Planted Areas (ha)	Conservation / Preservation Areas (ha)			Others* (ha)	
			RL	APP	AC		
UMF MG02	Faz. Buenos Aires e Outras Curvelo	9.401,17	2.894,50	295,14	307,23	969,55	13.867,59
UMF MG03	Faz. Jacaré Felixlândia	6.240,01	2.148,92	223,98	941,75	576,99	10.131,65
	Faz. Riachão Felixlândia	45,21	130,00	28,81	0,00	450,46	654,48
UMF MG04	Faz. Buriti Grande Morada Nova de Minas e Biquinhas	5.328,48	1.770,92	732,97	289,20	453,78	8.575,35
	Faz. Vitória/Guariba Morada Nova de Minas	571,00	144,01	5,05	0,00	0,00	720,06
TOTAL		21.585,87	7.088,35	1.285,95	1.538,18	2.450,78	33.949,13

* Clear Areas, Forest research, infrastructure, dams (flooded areas, infrastructure, gravel bed, = 0,40 ha; pasture areas for plantation.

FMU MG-02, which is located in Curvelo, Felixlândia, is one of the first units established by PLANTAR S/A. As it concentrates a great deal of the organization's activities, such as forest research, seedling productions and several other forest-related activities, this unit is considered very important for PLANTAR S/A group.

FMU MG-03, located in Felixlândia, is comprised by Jacaré and Riachão farms. Jacaré farm, whose area is 10.131,65 long, was acquired in September 2000 from Veragro (Atasa Participações e Empreendimentos Ltda.), and its registration and ownership transfer was carried out in February 2002. Riachão farm, whose area is 654, 48 ha long was acquired from Mr. Moacir José Coelho, and the ownership exchange and registrations was carried out in July 2002. Both properties added make a total of 10.786,13 ha. In 2005 a change of area was made with Mr. Geraldo Paulo Laborão, but it has not altered the FMU total areal.

FMU MG-04 is located in Morada Nova de Minas and Biquinhas municipalities, and it is comprised by Buriti Grande and Vitória/Guariba farm. Buriti Grande farm was purchased by PLANTAR S/A in May 2002 through a Purchase and Sale contract agreed between PLANTAR S /A and SUZ PARTICIPAÇÕES LTDA. The property called Buriti Grande, whose documented area is 7.754,87 ha long, after INCRA analysis, has become an 8.575,35 ha-long area. This property used to belong to VERAGRO, whose main activity were cattle breeding. The plantation, using the areas previously used for pasture, began in October 2003 and it was finished in June 2005 – the area is 5.328,48 ha long. In March 2006, PLANTAR S/A has settled with Edisa Empreendimentos Dias Santos Ltda a Rural Property Exchange contract related to Vitória/Guariba farm, whose area is 720,06 ha long. The plantation in this area began in July 2005 and it was finalized in January 2005. FMU MG-04 is 9.295, 41ha long.

1.4.3. Silvicultural System.

The use of modern silvicultural techniques and the development of research projects has provided significant improvements in the forest activities (in operational and productivity terms). These improvements have been evident in the results of the monitoring carried out by the organization.

The development of the forest is monitored from the second year of plantation on up to the harvest of the wood; the monitoring is possible by a continued inventory (annual). This process results in the Annual Average Increment, which indicates the interventions that are to be carried out, controlled and it projects the wood inventory and shows the future productivity.

1.4.4. Management System.

Silviculture

The silviculture activities adopted at the FMU's have the following technological characteristics:

Vegetation Suppression: maintenance of residues on field using chemical cutting instead of using fire. The plantation is carried out in artificial pasture plantation area.

Roads and Clearance around the wood: maintenance with light barriers, and adoption of techniques for conservation of water and soil.

Soil Preparation: line grooves, vegetation control by chemical cutting and incorporation of phosphate in the plantation line.

Fertilization: application in the grooves, in the plantation and in the hole as opening.

Plantation: In grooves, with marking and mechanized plantation.

Seedlings Production: Reproduction by hybrid cloning, through rooted cutting in tubes.

Genetically Material: Hybrid clones selected for the region and clone garden cultivated in channels.

Irrigation: Irrigation on the holes and in the continuous plantation.

Ants Elimination: Use of pesticide based on Sulfluramide e Deltamethrina.

Termites Elimination: Use of pesticide based on Bipronil and application by immersion on the seedlings.

Control of Cutting-Leaves Caterpillars: Local application of biological pesticide *Bacillus thuringiensis*.

PLANTAR's forest management system has been defined to operate in two cycles; every one of them lasts for seven years. The harvests are planned to take place in the seventh, in the fourteenth and twenty-first year of plantation. The plantation is normally carried out at every 3 meters, which, in turn, generate 1.111 trees per hectare and 9 m² per plant.

The forest management is carried out according to the minimum plantation principle, and among other things, tries to preserve the environmental integrity. The following procedures are used in order to do that:

- The soil is prepared using techniques that seeks to make minimum alterations in its physical structure and prevent erosion and the subsequent silting up of the water courses.
- The plantation is carried out in level curves and / or the plantation is carried out towards the biggest declivity in the regions with big irregularities. This procedure also prevents erosion and silting up of the water courses.
- Fire is not used to clean the fields.
- The use of agrochemical is minimum and adequate, according to the recommendation for the human being health and environmental preservation defined by International Laws and Agreements.
- The soil is monitored and the nutriments that have been consumed by the forests are regenerated, preventing erosion and alterations in the physical structure.
- The traffic of machines and vehicles in the harvest area is restricted in order to prevent the soil to get compact. This procedure helps supply the water reservoirs with rain water.
- The forest harvest leftover (leaves and branches) are left on the soil and they act as a protective layer that allows the recycling of the plant's nutriments.

Wood Harvest

The semi-mechanized harvest is managed by PLANTAR S/ A; its main focus is to supply the demand for food in the UNIDADE DE PRESERVAÇÃO (Preservation Unit). The semi-mechanized harvest is comprised by the following phases:

Cutting: The directional cutting of the pre-selected trees is made with the chainsaw. After the tree is fallen, its branches are removed with an axe. Then, the tress is cut in different sizes (a pattern is used in this procedure). The lighter pieces are piled up manually inside the sector, whereas the heavy ones are piled with a crane. The trees are organized in small piles, according to their size. The trees are debarked with a debarking machine which is coupled to the tractor. The barks generated are left on the field. The transportation of the harvested wood, which are going to be used for poles (the pieces with bigger

diameter and length), is made dragging them with an adapted tractor. The harvested wood which is going to be used for poles and posts is transported by tractor / truck. The trucks / tractors are loaded manually. The wood that has been stored in the clean area is transported by crane and trucks to the UNIDADE DE PRESERVAÇÃO DE MADEIRA (Wood Preservation Unit).

The objective of the mechanized harvesting is supply the charcoal units. The harvesting is carried out with the following:

- The cutting is made with Feller Bunch.
- The transport is made with the skidder.
- Cross-cutting with bucking;
- The loading is made with cranes.

Carbonization means lignin, hemi-cellulose and cellulose decomposition, which are natural components of the wood, by the action of the heat, which results in vegetal charcoal and pyroligneous gases. The charcoal normally comes from the lignin, and the pyroligneous gases come from the cell structure decomposition. In wood materials, with temperatures above 270 °C, the reaction to carbonization is exothermal and the carbonization process is self-sufficient in energetic terms.

In dry materials and on the air, as it is in the enterprise weather conditions, the wood consumption to supply heat to the carbonization process is less than 4% the weight in the furnace, and therefore, a good performance can be achieved in the transformation process. In the industrial processes that do not use the pyroligneous gases (this technology is used in Brazil), part of the material that is put in the furnace is burned in a controlled manner in order to supply heat to the process, and it is necessary to constantly observe the evolution of the pyroligneous gases in order to prevent overheating inside the furnace, and, consequently, the burning of the charcoal manufactured.

Brick furnaces are used. The type of carbonization unit used is JG. These furnaces have a chimney and a single door to load the wood and unload the vegetal charcoal. The furnaces have a cylindrical shape and there are steel belts on their structures. The furnaces have an average capacity of 8 m³ of wood, some have a capacity of 10, 5 m³. It is not necessary a great investment to build the furnaces. These characteristics make it possible to build them near the biomass sources, causing little impacts in the transportation costs and in the atmosphere emissions that are restricted to the forest area. The forests serves as a "curtain" for the smoke and it does not affect the properties, residences and roads in the vicinity.

The cut wood is left in piles outside the sector or in the charcoal mill for periods that vary from 90 to 120 days, depending on the season. The wood is left in the piles to dry until its moisture content is less than 25% (in weight), which reduces the biomass consumption. The less the moisture, the bigger the yield and better the quality of the charcoal is in terms of fines generation.

After the drying period, the wood is transported daily to the furnace. It is piled in front of the furnace door, and it is subsequently fed into the furnace. The transportation of the wood from the forest sector to the charcoal mill is made either by trucks, or by wagon pushed by a tractor.

Environmental Management Plan.

According to PLANTAR ´s environmental management policy, the environmental plan is meant to guide and supply technical information to the operational department that work at the Forest Units in order to comply with the environmental legislation and with the environmental concepts which are applied to the different organization´s activities.

A. Definition of the Conservation Areas.

The areas which are identified and quantified to be considered as Conservation Areas are identified and they are divided in the following categories:

Permanent Conservation Areas

The permanent Conservation Areas are identified on map and demarked in the field in order to prevent any kind of negative impact.

Areas in which the Operational Activity is Difficult

The Planning Department in cooperation with the Environmental Department makes field visits in order to identify the areas in which the operational activities will be difficult. They also identify very uneven areas, access for APP areas, rocky formations, etc. These areas are incorporated into the Conservation Areas.

Areas with Environmental Interest

These areas are the ones used to connect fragments, form small corridors, etc.

B. Protection of Native Forest Fragments.

All the fragments, independently of its size, shall be included on the planning map in order make their location easier and to ensure mitigation of the edge effects. A strip of Eucalyptus trees is left in order to prevent mechanical friction.

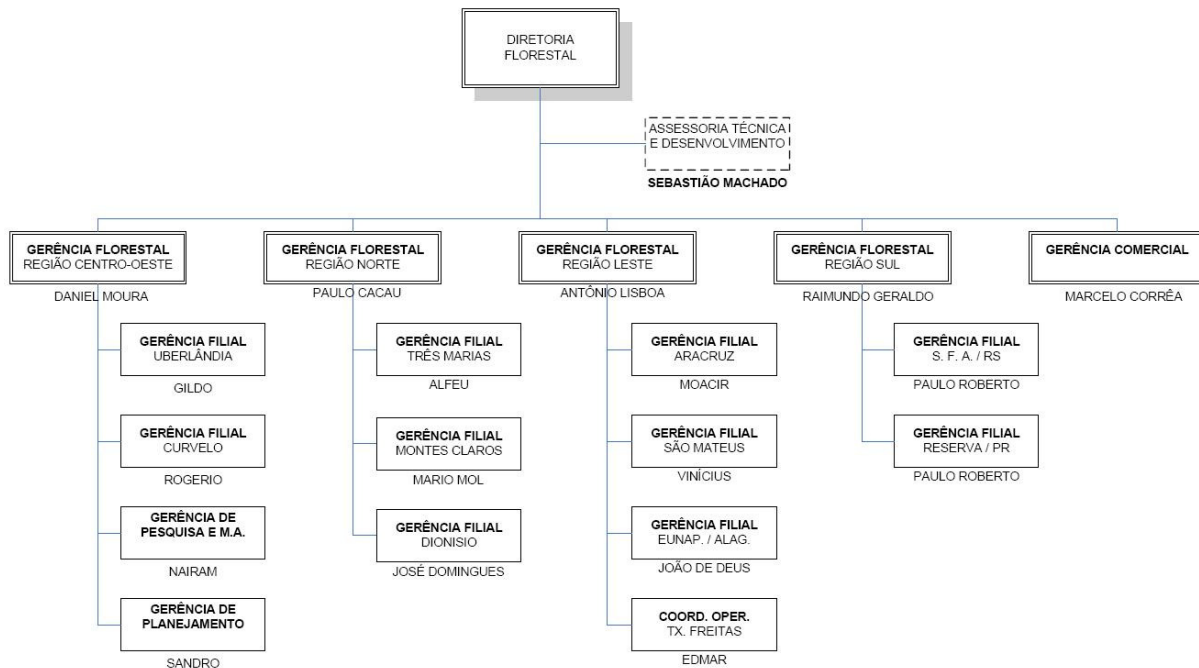
C. Ways to Recover the Conservation Areas.

There are recommendations to recover the Conservation Areas, such as plantation of native trees, natural regeneration, etc.

D. Areas Restricted to Pesticide Application.

There are areas whose application of pesticide is restricted, such as near river banks.

Forest Management Organizational Structure



PLANTAR 's flowchart has two directories, one of them is for Operational Department and the other one is for Administrative – Financial Department. In the Operational Directory there are four Regional Operations managements. The Supplies, Quality Control, Socio - Environmental Development and Human Resources is linked to Administrative and Financial Directory.

Every Operation Management has its own Service Unit, with a Personal, Purchase, Quality Control, Administration and Safety Department. This structure allows a decentralized administration and provides autonomy for the Units Managers.

1.4.5 - Monitoring System

PLANTAR monitors and presents executive summaries for the following activities:

- Rational use of pesticide (total annual consumption, consumption per hectare and per forest unit).
- Monitoring of pests and diseases both at the nursery and at the forest.
 - Leaf-cutting ants
 - *Costalimaita ferruginea* and some other species of leaf-cutting caterpillars.
- Quality of the seedling nursery water.
- Consumption of water at the seedling nursery and at the plantations.
- Monitoring of accidents at work, with or without necessity to stop working; if the accidents happened to one of our direct employees or to the ones from service provider companies.
- Work - force alternation.
- Compliance with all the labor and tributary legislation by the companies hired to work at PLANTAR.
- List of identified fauna and flora species.
- Program of fauna monitoring (permanent parcels)
- Program of threatened flora monitoring (e.g. Guariba, *Allouatta caraya*)
- Environmental Education Project (ecological treks, visits).
- Monitoring of micro-valleys, giving special attention to Riacho Fundo brook in Felixlândia.
- Program to recover degraded areas.
- Annual statistics related to forest fires per unit, per fire focus and per affected area.
- Forest inventory with all the volumes measured and the production forecast per year and per management unit.
- Operational yield.
- Quality of the seedling plantation (mechanized, semi-mechanized and manual).
- Products yield.
- Analysis and monitoring of social impacts.
- Monitoring of soil fertility.
- Plants nutritional monitoring.

1.4.6. Estimate of Maximum Sustainable Yield.

The modern silvicultural techniques used in the production of seedlings, plantations and forest management developed in the last few years has introduced several improvements at the forest activities, when compared to the conventional methods previously used. The result of this evolution can be seen in environmental terms and also in terms of forest productivity.

The soil fertility monitoring and the plant's nutritional conditions per production cycle have improved significantly PLANTAR's forests productivity. The practice of "minimum cultivation" adopted by the organization has reduced the problems related to the excessive soil plough with direct reflexes in the reduction of erosive and silting up of the river courses because of the reduced sediment formation. Practices, such as burning the forest residues on the field have been eliminated. New techniques have been adopted which allow the incorporation of this biomass into the soil, improving the structure and the fertility conditions throughout the plantation area.

On the other hand, the evolution in the technologies to improve the plants – from controlled hybridization and clone reproduction of seedlings and the selection of materials resistant to pest, diseases and water – weather changes, and the use of more adequate fertility practices to forest cultivation, have brought enormous improvements in terms of productivity, with significant economical reflexes for the company and a reduction of planted areas necessary to supply forest raw material. We expect to reach a commercial forest productivity of 35 m³/ha / year in the plantations made from 2003 on.

The evolution of the organization's productivity reflects the efforts it has been concentrated to develop cloning technologies and genetic improvements. It has been experiencing growing values. See table below.

PLANTAR 'S Forest Productivity Evolution					
Year	1970	1980	1990	2000	2008
Production Estimated Volume (m3/ha/year)	17,00	17,00	23,00	38,00	46,00

1.4.7. Estimated, Current and Projected Production.

We present below a table containing the volume which will be produced by PLANTAR 's forests management units to supply the Charcoal Units, considering the seven-year period average cycle and the volumes required by the Metallurgic Plants.

Year	2006	2007	2008	2009	2010
Required Volume	852.479	739.788	850.149	739.788	852.479
Prognostic Volume	809.327	756.307	843.824	1.732.476	1.850.095

1.4.8. Chemical Pesticide Use.

The Table below shows the pesticides used by PLANTAR on its forests and on its seedling nursery.

In the list of products used by the company there are three products which were banned by FSC in 2007 (Fipronil, Deltamethrina and Sulfuramid). However, according to the rules, the organization has asked a derogation to use it and it has been waiting for the result of FSC evaluation. The organization has also requested a derogation to use triadimenol.

PLANTAR has introduced detailed procedures (IT/SIL 04, Ants Control) and IT/SIL 05 weeds control, and IT/VIV-06 – Control of Pests, Diseases and Invader Species in the Nursery” to use each product. It has also developed procedures with the incorporation of new forests techniques and the ban of using and / or testing pesticides whose formula contains any FSC-restricted chemical products.

The application of pesticide is controlled and the quantity applied per hectare on the field and on the seedlings nursery is monitored. All workers are trained to apply pesticides and they are given all safety equipments. All pesticide application is carried out giving attention to the workers health and the environment.

List of Pesticides used by PLANTAR

Commercial Name	Active Principle	Class	Toxicological Classification	Specification Use
Atta Mex-S NA	Sulfluramide	Ant Poison	IV	All forest cycle.
Confidor	Midacloprid	Pesticide/Termite Poison – against plant louse		Just on areas with termite infestations in the root or on the plant.
Decis R 25 CE	Deltamethrina	Pesticide	III	Seedling Nursery and high infested areas.
Dipel PM	<i>Bacillus thuringiensis</i>	Biological Pesticide	IV	Seedling Nursery and high infested areas.
Orthene		Mite Poison		Seedling Nursery

Orthus		Mite Poison		Seedling Nursery
Folicur 200 CE		Fungicide		Seedling Nursery
Bayfidan		Fungicide		Seedling Nursery
Kumulus		Fungicide		Seedling Nursery
Du Fol	Nonilfenol Poliglicolic Ether	Adhesive Scatter	III	Field
Fordor 750 wg	Isoxaflutole	Herbicide	III	Field
K-othrine 2p NA	Deltamethrina	Ant Poison	IV	Field
Orthene 750 BR	Acefato	Pesticide	IV	Field
Scout	Glifosate	Herbicide	IV	Field
Trop	Glifosate	Herbicide	IV	Field
Tuit	Fipronil	Pesticide	II	Field
Confidor 700 WG	Imidacloprido	Pesticide	IV	Field

2.0 GUIDELINES / STANDARDS EMPLOYED.

The standard used for PLANTAR 's recertification process was the SCS Interim Standard for Forests Plantation Management Certification in Brazil, Version 01 from November 2007. This standard is based on FSC Standard for Forest Plantations in Brazil (Version 9.0) which has been approved by FSC Brazil, but it is to be approved by FSC International. The standard may be found at SCS site: http://www.scs-certified.com/forestry/forest_programmat_fm.html.

3.0. EVALUATION PROCESS.

3.1. ASSESSMENT DATES

The Stakeholder consultation was carried out on March 10, 2008.
The Field Audit was carried out on March 10 to March 14, 2008.

3.2 Audit Team

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 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 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 rules 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 with the objective to improve the final product quality 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 North, South, Central, Southeast and West region of Brazil.

M. Sc. Carlos Hugo Rocha is an agronomist graduated at Universidade Federal do Paraná. He has graduated as M. Sc by Universidade Federal do Paraná in Soil Conservation Management; He is doctor by Department of Human Dimensions of Natural Resource – Warner College of Natural Resources - Colorado State University. He is assistance professor IV at Soil Science Department from Universidade Estadual de Ponta Grossa (UEPG), and he teaches subjects such as Renewable Natural Resources, Alternative Agriculture and Environmental Studies of Environmental Impacts. As a researcher, he works on areas such as Nature Conservation, Protected Areas Management, Human Dimensions applied to Natural Resources Management, Integrated Landscape Plan and Management; Landscape Ecology, Biology of Conservation, Strategies for Cooperative Management and Nature Conservation; Family Agriculture, Family, Agro-ecology and Organic Agriculture. He was member of NUCLEAM/UEPG Administrative Council – Center for Environmental Studies at Universidade Estadual de Ponta Grossa from 1991 to 1997. He was Tourism and Environmental Secretary and he has developed, among other projects, an Integrated System for Urban Garbage Management. In cooperation with Acarpa / Emater-PR, he has developed projects of Rural Extension for owners of family agriculture in the Southern region of Parana State, giving emphasis in the management of natural resources and soil conservation and integrated rural development. As a consultant, he has developed important socio-environmental projects in Campos Gerais region in Parana State.

Marcelo Maisonette Duarte is a biologist graduated by UFRGS with more than 20 years of professional experience. He is master in Ecology by UFRGS. He is doctor in Sciences, with emphasis in Ecology and Natural Resources by UFSCar. He is the leader of Natural Science Museum Conservation and Management Department, an organization which belongs to Fundação Zoobotânica do Rio Grande do Sul. He has been also a university professor for more than 15 years; he has worked for several institutions such as UFRGS, UNISC, UNISUL, FACCAT, teaching graduation and pos-graduation students in Ecology. He has guided several graduating, specialization and mastering students. Nowadays he is teaching Environmental Management and Social Responsibility and Ecology Foundation at FAACAT – Taquara Integrated University. He also coordinates an Environmental Education Project at this university. He is the editor of two scientific magazines: Iheringia, Zoology Series (Qualis A – CAPES) and Revista Colóquio-FACCAT. He has been working for two years as a CONSEMA-RS counselor - Rio Grande do Sul State Environmental Council and for CECA – RS – State Environmental Committee. He coordinates a cynegetics fauna research in Rio Grande do Sul state. He has also coordinated several studies related to Integral Protection Management Plan Unit. He has worked as an environmental consultant for agrossilvicultural enterprises 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 Phythogenetic 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 has 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.

3.3. EVALUATION PROCESS.

PLANTAR 's planted forests recertification evaluation process began with a Stakeholder Consultation which was held in January 2008. FSC and several other environmental, social and economical institutions with local, regional and national actuation have been contacted by mail and by email. The Stakeholder Consultation took place on March 10 in the municipality of Curvelo, with participation of the people from the region, mainly the one who live in Curvelo, Felixlândia and Morada Nova de Minas.

The multidisciplinary audit team experts in forestry, environmental, economical and social areas began the main audit checking documentation and the formal management procedures. For the field evaluation, the auditor team inspected forest harvest, planning, felling and transport procedures; and safety at work operation. Evaluation of environmental and social aspects has also been carried out according to described on item 3.3.1.

The auditors held a meeting on the last evaluation day in order to analyze the information gathered during the field audit, which were compared with SCS Interim Standards for Plantations Certification. At the final meeting, Major and Minor CAR were elaborated with limited deadline to fulfill compliance and Recommendations were presented to both organization 's management and to technical team.

3.3.1- Itinerary

Areas visited by the auditors:

Date	Farm	Region	Auditor
March 10, 2008	Meeting with the organization's board of directors. Document analysis (programs, maps, projects, etc). Public Stakeholder in Curvelo	MG02	Todos
March 11, 2008	Faz. Buenos Aires, Projeto Lagoa do Capim, and Faz Jacaré.	MG02 e MG03	Vanilda Jarbas
	Fazenda Varginha I e II Gravel Bed recovery area Visit to Neighboring properties Mata dos Guariba (trek to EA.) Ecological Corridor	MG02	Marcelo
	Seedling Nursery Stakeholder Consultation data Systematization. Visit to Charcoal Mill Units. Interview with workers Visit to Neighboring communities (Control, communication and social programs Procedures	MG02 e MG03	Hugo
	Faz. Buriti Grande e Faz. Vitória/Guariba;	MG04	Vanilda

March 12, 2008			Jarbas
	Fazenda Extrema Fazenda Buriti do Meio Fazenda WT Reserva do Meleiro	MG02 e MG03	Marcelo
	Fazenda Buenos Aires Projeto Lagoa do Capim Visit to rural school community developed in cooperation with Plantar Interview with Neighboring inhabitants	MG02 MG03 Curvelo	Hugo
March 12, 2008	Documentation – Medicine and Safety at Work; monitoring results; Planning and Forest Registration.	MG03	Vanilda
	Clonal Nursery Córrego da Boa Morte	MG02	Marcelo Jarbas
	Human Resources / training Interview with local leaders	MG03 Curvelo	Hugo
	Evaluation of PLANTAR ´s performance and presentation of results.		All

SECOND PART - VERIFICATION OF MAJOR CAR COMPLIANCES

PLANTAR has implemented all Major CARs and has sent to the auditors all documentation proving that the Corrective Actions have been implanted. The auditors evaluated the documentation and they have concluded that the Corrective Actions Requested have been complied (Item 4.2).

3.3.2 - Evaluation of Management System

The social aspects have been evaluated by the primary and secondary data related to several representative examples from the local and regional civil society, and also public sectors related to environmental and forests activities. Special attention has been given to working conditions, including safety, training, transport, food, payment and compliance with the legislation. In order to do that, the direct workers and the employees from service provider companies have been interviewed at the place they develop their activities. Special attention has been given to the interview with local and institutional leaders, with the neighbors' organizations and with representatives from the population that live in the vicinity of PLANTAR´s area in Curvelo.

For analysis of environmental aspects, Marcelo Maisonette Duarte has carried out visits to identify and inspect cartographic material supplied by the organization and check its accuracy at the field, and check whether or not there are environmental irregularities. On these visits, special attention was given to areas protected by the legislation, such as Permanent Preservation Areas and the ones defined as Legal Reserves. The objective was to check if the status "protected" in the Forest Legislation was not being used for any production activity, such as Eucalyptus plantations ou other kind of plantation, or any kind of anthropic activity promoted by the organization, by neighbors or by the population in general, with the presence of roads, selective exploration, predatory hunt or any other type of degradation. Samples of the

remaining areas have been visited in order to evaluate the degradation level and the efficiency of protection and / or conservation actions. Areas where ecological corridors are being implanted, areas in recovery process and areas where there are potential high conservation values have also been inspected. Special attention has also been given to the maintenance of internal roads to check the procedures used for this activity and its impact on the water courses and on the remaining natural vegetation. The areas where there are developments of native fauna monitoring programs and environmental education programs (ecological treks) have also been visited.

For analysis of forest aspects, visits have been scheduled to the FMU's listed below, including the ones in which the forest operations were taking place, such as inventory, soil preparation, plantation, irrigation, ant extermination, pesticide application, harvest, stump removal, drag and transport. Other areas chosen were the ones where the operations had been taken place in order to evaluate the impacts caused. The planning system, the forest and costs production control, registration and cartographic base have also been inspected, after checking all related documentation.

3.3.3. Selection of FMU Evaluated.

AUDITOR	FARMS (FMUs)
Vanilda	Faz. Buenos Aires, Projeto Lagoa do Capim (MG02), Faz. Jacaré (MG03), Faz. Buriti Grande e Vitória/Guariba (MG04)
Marcelo	Viveiro de mudas, Falcão Project (MG02), Lagoa do Capim Project (MG02), Campo Alegre Project (MG02), Meleiro Project (MG02), Jaboticaba Project (MG02), Faz. Extrema (MG03), Faz Buriti do Meio (MG03), Faz. WT (MG03)
Jarbas	Faz. Buenos Aires, Lagoa do Capim Project (MG02), Faz. Extrema e Morro da Garça, (MG03), Faz. Buriti Grande e Faz. Vitória/Guariba (MG04), Seedling Nursery

3.3.4. Visited Sites

The table below shows the main reasons why the sites had been visited by the auditor team at the several FMUs. The same FMU were audited for several times, in different days and with various perspectives with the objective to create a complete overview of the organization's forests activities.

Place	Reason
Seedling Nursery	Check if the decantation tank system, with possible alteration of Boa Morte water stream quality due to leakage in tank 01. Check the monitoring points. Visit of ecological treks in Mato dos Guariba region in the vicinity of the Nursery. Employees have been interviewed.
Falcão Project (MG02)	Field investigation of environmental issues such as: protection of remaining natural areas; delimitation and protection of Permanent Preservation Areas and Legal Reserves. Action taken to restore Permanent Preservation Areas and Legal Reserves. Ecological corridors project; roads conservation situation; soil conservation (erosive and silting up processes); alluvial deposit recuperation. Examination of the planted forest development.
Lagoa do Capim Project (MG02)	Field investigation of the environmental conditions at two new areas: Varginha I and Varginha II. Verification of environmental issues such as: protection of remaining natural areas; delimitation and protection of Permanent Preservation Areas and Legal Reserves. Action taken to restore Permanent Preservation Areas and Legal Reserves. Ecological corridors project; roads conservation; soil conservation (erosive and silting up processes); alluvial deposit recuperation. Activities such as removal and unload of timber, safety at work, interview with the organization's direct employees and with the ones from subcontractors

Campo Alegre Project (MG02)	Field investigation of environmental regularities and irregularities such as: protection of remaining natural areas, delimitation and protection of Permanent Preservation Areas and Legal Reserves. Action to restore Permanent Preservation Areas and Legal Reserves. Ecological corridors project; roads conservation; erosive and silting up processes; natural fragments.
Falcão Project (MG02)	Verification of Guariba Forest Environmental Education track. Field investigation of environmental regularities and irregularities such as: protection of remaining natural areas; delimitation and protection of Permanent Preservation Areas and Legal Reserves. Action to restore Permanent Preservation Areas and Legal Reserves. Ecological corridor projects; roads conservation; erosive and silting up processes.
Jaboticabal Project (MG02)	Field investigation at Meleiro Reserve (HCVF). Field investigation of environmental regularities and irregularities such as: protection of remaining natural areas; delimitation and protection of Permanent Preservation Areas and Legal Reserves. Action to restore Permanent Preservation Areas and Legal Reserves. Ecological corridor projects; roads conservation; erosive and silting up processes.
Faz. Extrema (MG03)	Field investigation of new area the environmental conditions, map analysis and its actual coverage.
Faz. Buriti do Meio (MG03)	Field investigation of new area environmental condition, map analysis and its actual coverage.
Faz. WT (MG03)	Field investigation of the environmental conditions at the new areas - map surveillance and its actual coverage.
Faz. Burity Grande e Biquinhas (MG04)	Evaluation of chemical products deposit and control, control of packages returns, ant- control activities, pesticide application; employees working conditions (male and female), road conditions, and Permanent Preservation Areas and Legal Reserves conditions.
Faz Buenos Aires e outras (MG02)	Verification of soil preparation activities, mechanized plantation, manual and mechanized herbicide application, manual cutting; mechanized and manual harvesting, stump lowering, charcoal units. The employees have been interviewed and field documents have been investigated. Working conditions such as safety, personal protection equipments, transport, hygiene and food; work load and work equipment conditions have been inspected. Investigation of the impacts the activities cause to the environment, road conservations, natural fragments; development of the forests.
Faz. Jacaré	Investigation of hydrographic valley monitoring – spillway; ant elimination; manual hoe, mechanized herbicide application.
MG02 Headquarters	Inspection on chemical product deposit and its control. Packages control and return. Deposit of materials originated from the collective selection for recycling.

3.3.5. Stakeholder Consultation

According to SCS procedures, the Stakeholder Consultation with the most relevant local leaderships is a key component in the forest management evaluation process. The Stakeholder Consultation was held before the field evaluations. Several institutions were contacted by mail (according to list in Annex 01). During the audit process, the Stakeholder Consultation take place in several places, including a Public Meeting, interview with several representatives from civil society and from the population who live in the vicinity where the organization develops its activities in Curvelo region – MG. Union leaders, representatives from public offices, private organizations, local and political leaders and the people who live around the properties were among the ones interviewed at the Stakeholder Consultation.

The Stakeholder Consultation main objective was:

- Ask background information from the affected parts about the pros and cons of PLANTAR's forest plantation management activities and how the organization interacts with the population who live in the vicinity of it.
- Ask background information if the responsible for the forest management had consulted with parts involved or interest in the area to identify the high conservation values.

The main interested parts for this evaluation have been identified based on the results of a list shown to our company, by research from other sources and by FSC Brazil list. The following group has been defined as the main interested parts:

- Organization's employees, including administrative and field personnel.
- Outsourced workers.
- Neighboring owners.
- Inhabitants from nearby neighborhoods.
- FSC-Brazil members.
- Local and regional members from environmental NGO's.
- Local and regional members from social NOG's.
- Environmental institute federal, state and municipal agents (license, inspection)
- Other relevant groups.

The evaluation team got in touch with organizations and individuals from the main interested parts. A Stakeholder Consultation questionnaire and an invitation letter have been sent by mail, describing the certification process; a space has been offered for comments (annex 02). Sixty-five organizations / individual have replied the questionnaire by email, got contact by telephone or with personnel interviews at the Stakeholder Consultation (see item 3.3.5.1 for a summary of the comments). The organization / individuals which made comments and agreed to have their names included on the report , and the ones who had been contacted, but had not replied are listed on Annex 02.

3.3.5.1. PLANTAR S/A Stakeholder Consultation Model.

PUBLIC MEETING

INVITATION

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

PLANTAR S.A

SCS – Scientific Certification Systems (www.scs-certified.com) - and FSC-accredited entity (Forests Stewardship Council) for Forest Certification invites for a **Public Stakeholder** which will begin FSC-Recertification process of field audit requested by the organization called PLANTAR S/A. The farms which are to be evaluated are located in Curvelo region, in Minas Gerais state (Curvelo, Felixlândia e Morada Nova de Minas). At these places, the Eucalyptus forest plantation corresponds to 33.949,13 ha which is to be recertified, and from this amount, 21.585,87 ha corresponds to effective planted area.

PLANTAR S/A belongs to PLANTAR group, and among its main activities is to supply wood for charcoal production and the implantation of Eucalyptus forest plantations for multiple applications (poles, fences, etc).

As a result of its operational activities, the organization generates 1975 direct jobs, comprised by 1790 direct employees and 185 from outsourced service. Beside these activities, PLANTAR develops partnerships with research institutions and universities from Minas Gerais state and Sao Paulo and it also keeps an Environmental Education Program and several social programs for its forest unit's populations.

In environment terms, the organization develops several monitoring works and biodiversity, soil and water resources conservation programs. PLANTAR has been seeking to minimize the impact of its activities in the environment with the development of adequate management techniques.

The organization also develops a carbon fixation project in partnership with Prototype Carbon Fund – PCF and it has traded a significant amount of carbon credits.

The certification process must involve **public** and **civil society participation**, and therefore we invite you for the **Stakeholder Consultation** which will be held on **March 10, 2008** in Câmara de Dirigentes de Lojas room, Avenida Integração, 198 Centro - Curvelo – MG, between **7:00 PM to 9:30 PM**.

Its very important the participation of all representatives from the civil society, because the Forest certification is a citizenship exercise from both individuals and for the institutions directly interested on the subject. So, the candidate 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 preoccupations or aspects that the participants would like to be included in PLANTAR '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.shimoyama@gmail.com 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 (www.fsc.org.br) 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 in the process.

Respectfully

Vanilda Shimoyama
Carlos Hugo Rocha
SCS Auditors

3.3.5.2. Model – Stakeholder Consultation Questionnaire

PUBLIC CONSULTATION QUESTIONNAIRE
Recertification of plantation forest management (Curvelo region)
PLANTAR

Name												
Institution												
Address for Contact												
ZIP:							-					Email
<p>1. Do you know PLANTAR Company? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. Would you have any comment to make about PLANTAR Company? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. What would be the comments?</p> <p>4. Are you aware of any particular aspect in their areas which would have ecologic importance? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>5. Which would be the areas (where they are located) and which are the characteristics that make them important for conservation?</p> <p>6. Is there any aspect with regard to the environment that you consider to be worthy of attention in the field assessment? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What would be this (these) environmental aspect(s)? 6.1 _____ 6.2 _____</p> <p>7. Is there any aspect in the social area that you consider to be worthy of attention in the field assessment? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What would be this (these) social aspect(s)? 7.1 _____ 7.2 _____</p>												
<p>The present questionnaire has the objective to let citizens from all backgrounds and interests, or representatives from institutions that represent the civil society, participate actively in the process of FSC Forest Certification. Thus, we request that this questionnaire be sent to the following E-mail: Vanilda.shimoyama@gmail.com . If you prefer, it can be sent to the following fax: (0xx43) 3535-4906. We would appreciate if you could promote this questionnaire to those who, in your opinion, can contribute to the process.</p>												

OBS.: a) The identity of the contributors that make observations in this questionnaire will not be exposed in the documents of the Certification Process.
b) The participation of interested parties in this Public Consultation does not imply any co-responsibility in the Certification Process.

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

Social Concerns

- **It is necessary more interaction and communication between the organization and the community.**

PLANTAR has developed a periodical newspaper which is spread to the employees, local community and other interested parts.

This periodical newspaper is relationship tool and it is a way to have a closer dialogue with the organization's neighbors.

In the periodical newspaper, the community may use a channel called "Your Space", by email or by mail in order to suggest, question or clear doubts about the organization. The internal cooperators use suggestion boxes installed throughout the company. This program has promoted huge campaigns about correct use of tools and it has more than two thousand cooperators, including outsourced work force that work at the certified areas.

Other examples of interaction with the community:

- Registration of Demands / Divergences.
- Products Fairs in the Region.
- Meeting with local Communitarian Associations.
- Door-to door communication made by Social – Environmental Department.

- **There is a demand for fences; however the organization does not provide support.**

PLANTAR develops a project to reform the neighbors' fences that separate their properties from the organization. For this work, the neighbors need their fences in good conditions, and they get in contact with PLANTAR's Social Environmental Department in order to have the fences reformed. The Social Environmental Department makes a site evaluation counting the number of poles and tensioners necessary. The material is purchased and delivered to the neighbors, and they are responsible to supply the wire fence and the workforce for the reform. All donations are registered and filed in the Social Environmental Department

- **Conflict during a UFMG students visit to the area where there was a 5 km deviation from the municipal road. According with the complaint, the detour affected three communities.**

In 2002, a group of UFMG students were taking a walk in Curvelo region and passed by to visit PLANTAR's nursery. At the opportunity, we requested that they should schedule a visit so that they could be received better, according to the organization's procedures. The detour on the road which took place in 2000 has been defined in consensus with the city hall and PLANTAR. The involved communities participated in the solution of the problem.

- **Social Impact – Rural Exodus caused by Eucalyptus Plantation.**

PLANTAR employs directly more than 2000 people at its production areas (Curvelo, Felixlândia e Morada

Nova de Minas). There is also a policy to provide jobs opportunities for the people from rural areas. The interested neighbors make direct contact with the Socio Environmental Department, which sends the information to the Human Resource Department.

There are also several social initiatives to supply the neighboring communities and projects and programs to provide opportunities for the people who live in the rural communities, such as regional products fairs (MG 02); - Apiculture Project (MG 03) and a project called "Making Life Sweeter" (MG 04).

- **It is necessary more pro-active social initiatives to supply the region demand.**

PLANTAR has developed several projects to supply the demand from the region, such as:

- **Blood donation campaign.** After an analysis in Curvelo Blood Bank, PLANTAR has decided encourage its cooperators for this cause. The municipality needs 80 blood bags to supply the population. Eighteen people from PLANTAR are transported to donate blood.
- **Vegetable and Flower Garden Project.** PLANTAR supplies institutions, such as hospitals and schools demand for arrangement and reform of vegetable and flower gardens. This project involves qualifying the institution employees to make their maintenance.
- **Support for Nursery School:** PLANTAR makes monthly donations for Curvelo's nursery schools, according to the demand. During the last few years, PLANTAR, through Childhood and Adolescence Fund has provided resources for Adolescence and Childhood Rights Municipal Fund from Curvelo, Felixlândia e Morada Nova de Minas. The budget is used in institution which gives support and attention to these individuals.
- **Income Generation Program:** PLANTAR has developed projects such as: Curvelo Region Rural Workers Fairs, where there is a space and infrastructure to sell handiwork items manufactured at the neighboring communities. It has also developed partnership for Felixlândia Apicultural Association for honeybee production. Plantar offers the headquarters and support.
Project "Making Life Sweeter" to manufacture brown sugar in Morada Nova de Minas region.
- **Digital Inclusion Project:** PLANTAR, through Childhood and Adolescence Fund has furnished Núcleo Agrícola do Cobu (Cobu Agricultural Center) where there is a Municipal and a State school with computers and has trained monitors to promote digital inclusion for the students.
Firefight: PLANTAR works with Forest State Institution in environmental educations to prevent forest fires

Economic Concerns

- **It is necessary to inform the community about FSC certification for informing and for a greater participation in the process.**

Edition 21 of the periodical newspaper showed an article about FSC and the main concepts involved by the certificate. At the next issues, the subject was shown in different forms, as in the special article called "Forest Benefits" (Principle 5) on issue 22. Issue 23 has an article about vegetal charcoal and issue 24 speaks about forest management plan (Principle 7).

In 2007, an FSC theater play was prepared by all PLANTAR Group cooperators, with special participation of neighbors and students from Núcleo Agrícola do Cobu. This strategy will also be used in 2008 at the pre-audit week, with exhibition of the theater play about the same subject. We reinforce that several of the cooperators are the people who live in the vicinity of PLANTAR. More FSC-related activities are scheduled during the Environmental Week and SIPATR.

Environmental Concern

- **Nursery water treatment is not enough – it is contaminating the river.**

Water analysis from Clone Nursery decantation tank has been made in partnership with Viçosa Federal University. Water samples were taken from the following points: six points located upstream and downstream the three decantation tanks. One point after the lixivium deposit in the Clone nursery and two upstream and downstream points at the points the water is disposed in Boa Morte brook. The result of the analysis says the tanks are efficient to remove solid particles, however, it has shown inefficiency to remove nutrients (nitrogen and phosphorus). Some measures have been taken, such as elimination of leakage in the treatment system and maintenance of aquatic flora which will contribute to reduce nutrient concentration.

Boa Morte River has been monitored since 1999, with physical, chemical and bacteriological analysis. Boxes to separate water / oil in the area of the impounding motors were built in 1999. Nowadays, the monitoring is made twice a year, and it has shown satisfactory results.

- **PLANTAR has three wells whose quality water is very poor.**

PLANTAR's artesian wells have been used for more than 10 years and they have never had any problem related to the water quality. It has been detected the presence of iron bacteria, which is the result of a normal phenomenon which cause decrease on the well flow. There is a maintenance program to clean the well structure. All wells have grants from Instituto Mineiro de Gestão de Águas (Mineiro Institute for Water Management).

- **There was a rupture in the nursery decantation lake. Has it really happened? If so, what measures have been taken to prevent it from happening again?**

In February 2008, due to torrential rain, one of the walls from the first tank ruptured, making that part of the water from the tank leaked without passing through the treatment system. Right after this rupture, a reform was arranged to reinforce the wall and rebuild the tank. A frequent monitoring and maintenance on the tanks have also been determined with the removal of solid particles deposited on the bottom of the tank.

- **Does the organization know about a possible deforestation in Meleiro region?**

Plantar and environmental organizations have made a check up in that region and it has been concluded that there has never been any deforestation. This is documented in Plantar files and during the Public Meeting nobody contested this document. Nevertheless, the auditor team has been to the place and they have not found any deforestation evidence.

- **Is there any license for the water used by the organization?**

Yes, there is. All the water pumping points (rivers and wells) have their respective license.

- **How efficient are the ecological corridors? How do I have access to this data / information?**

The ecological corridors efficiency has been researched and discussed by a series of scientific institutions. Several articles and thesis reinforce the importance of ecological corridors formation to keep the biodiversity. PLANTAR's ecological corridors are in implantation process, with demarcation of areas and enrichment with native species. We expect that in the next five years, the native fragments are connected by ecological corridors.

- **How does PLANTAR see the possibility of Falcão River water contamination in the**

organization water treatment, which could, possibly have caused the death of fish?

Analysis of superficial and underground water have been arranged in order to check the presence of possible contaminants originated from the wood treatment process. All the analysis did not show any contamination with the chemical products used in the process. At the time this issue was raised, the organization invited the neighbors from the Wood Treatment Unit, the neighbors who live upstream the Wood Treatment Unit and APRA president (local environmental Non Governmental Organization), Mr. Júlio Terra. At the visitation, it got evident that water treatment is made in a closed circuit and therefore, there is no possibility to contaminate neither superficial nor underground water.

3.3.6. Other Technical Evaluations

It has not been used any other technical evaluation, except the ones normally carried such as field visitation, interviews and document analysis.

3.4. TOTAL TIME SPENT ON AUDIT

A team of auditors has been constituted to evaluate PLANTAR and they reviewed all audit-related documents. It has taken them 40 hours to read all the paperwork. It has taken 44 hours to arrive from their cities to the organization site, plus two days spent on field audit by each auditor, it has taken 16 days, or 208 hour. It took 08 hours to define the interested parts and send the invitations and questionnaire and it took four hours to organize the public demands received. It has taken 274 hours to conclude the audit.

Activity	Vanilda	Marcelo	Hugo	Jarbas
Public Meeting	5	3	5	3
Back and Forth Trip	12	14	10	8
Documentation	10	10	10	10
Field	32	34	28	33
Interested Parts / Invitations	5	--	--	--
Closing the audit (February 20, 2006)	7	7	7	7
Closing Meeting	2	2	2	2
Verification of Compliance with Major CARs.	2	3	1	--
Total	75	73	63	63

3.5. COMPLIANCE DETERMINATION PROCESS.

The Certification Standards defined by FSC have three hierarchical levels, the Principles, followed by Criteria which detail the Principles, and the Indicators, which detail the Criteria. According the SCS Forest Conservation Program evaluation protocol, the evaluation team must collectively determine if a given forest operation complies with any indicator applied inside a relevant Certification Standard. All non compliance with a criteria or sub-criteria needs to be evaluated in order to determine whether it is a major or minor non-compliance. Not all indicators have the same importance and there is no formula to determine whether or not an operation is non-conformity. The team must use collective judgment to evaluate each criterion and define its conformity. If a forest operation is evaluated as non-conformity for a given criteria, at least one indicator must be evaluated as major non-conformity.

The Corrective Actions Request (CAR) is defined by non-conformity. Major non-conformities are called Major CAR and minor non-conformities are called either as CAR or minor CAR.

Major CAR’s (pre-conditions) Car’s (Minor CAR’s) Interpretations and Recommendations.

Major CAR’s / Pre-Conditions: An individual major non –conformity or a combination with other non-conformities from other indicators is a failure to comply with FSC criteria in terms of the resource affected. These corrective actions must be closed before issuing the certificate. When a Major CAR is defined after the certification, normally the deadline to correct non-conformity is smaller than the time given for a Minor CAR. The certification will depend on the forest operation response to solve the problem in the determined deadline.

CAR’s and Minor CAR’s are corrective actions in response to minor non-conformities; they are usually limited on scale or they may be characterized by unusual errors in the system. The corrective actions must be complied in a given pre-determined deadline after the issuance of the certificate.

Recommendations are suggestions presented by the evaluation team in order to help the organization have an ideal performance situation. The implantation of the recommendations is voluntary and it does not affect the certification maintenance. Recommendations may become conditions if the compliance with any criteria is affected by its non execution.

4.0. EVALUATION RESULT

The evaluation team conclusion related to the Forest Operation positive and negative aspects towards the FSC certification Standards are shown in Table 4.1. The number of Corrective Actions Requests (CARs) is also shown in Table 4.1.

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	CARs/RE Cs
P 01: Compliance with FSC Rules and Principles.	<ul style="list-style-type: none"> - Long-term commitment with FSC Principles and Criteria. - Payment of duties and fees related to the activity. - Formal procedures to protect the management area against illegal activities. - Long-term commitment to keep samples of representative ecosystems. - Finalized Legalization process of reserved areas. - Respect to all International Agreements and Treats confirmed by Brazilian Congress. - Identification of high conservation values forests. 	<ul style="list-style-type: none"> - It is necessary to include in the recycling programs aspects of the rules related to the activity developed. - Rules related PLANTAR’s access areas for new employees. 	<p>CAR 2008.03</p> <p>REC 2008-03</p>
P2: Tenure & Use Rights & Responsibiliti es	<ul style="list-style-type: none"> - Clear evidences of legal documentation of certified areas. - There are no pending legal or administrative issues in the properties. 		

	<ul style="list-style-type: none"> - Calm and peaceful tenure of properties. - Local and surrounding communities of the areas to be recertified have their tenure rights guaranteed 		
P3: Indigenous Peoples' and Traditional Communities' Rights.	<ul style="list-style-type: none"> - Non-applicable. There are no indigenous or traditional peoples in the vicinity or in the region where PLANTAR develops its Forest Management activity. 		
P4: Community Relations & Workers' Rights at the Forest Management Unit	<ul style="list-style-type: none"> - The organization contracts workers who live in the vicinity of the Forest Management Unit. - Adequate working conditions. All direct and outsourced workforces are given free food. - There is safety at work monitoring. - There are clear signs in the working areas. - There are communication equipments in the working areas. - There is qualification and qualification programs for cooperators. - Significant benefits for cooperator, when compared to the regional workforce. - The salaried are in the region average and even above the average for the direct workers. - There are several social programs resulted from socio-economical surveys carried out in the region. - Strengthening of the local economy using services providers and suppliers from the region. - Health insurance for employees and family members. - Adequate working conditions – the employees are given good quality food and water. - Labor union agreements related to the working hours and the benefits provided to the employees. - Support to public institutions, especially in social and educational issues. 	<ul style="list-style-type: none"> - It is necessary to adequate the Debarker to ensure the worker's safety. - Evidences of analysis and use the results to monitor the safety techniques to cut trees. - The organization must check the need to adequate the bus which transports the Debarker employees so that they have a less tiresome trip – the bus is equipped with plastic seats. - The organization must adopt procedures and risk preventive measures for female workforce (pesticide application) during pregnancy and breast feeding periods. - The organization must preoccupy with ergonomic research to improve the working conditions. 	<p>Major CAR 2008.01</p> <p>CAR 2008.09</p> <p>CAR 2008.11</p> <p>REC. 2008.01</p> <p>REC 2008-02</p> <p>REC 2008-06</p>
P5: Benefits from the Forest	<ul style="list-style-type: none"> - PLANTAR is one of the most solid groups of organizations in the production of vegetal charcoal for gusa iron and it is constantly expanding its forests activities. - The forest management is carried out in an objective and enterprise manner and 		

	<p>its objective is supply wood for the charcoal production using gusa iron in the production.</p> <ul style="list-style-type: none"> - Good plantation productivity in order to supply raw material to charcoal and iron industry. - The forest management adopted stimulates the forest optimization and minimizes losses related to harvesting operations. - Supply of other products (logs, poles, wood for fences) for the local and regional industries is an example of viable economical activity inside the forest management area, which creates jobs and income for the population. - The organization promotes goods and services from local suppliers. - PLANTAR uses essentially local workforce (either direct or outsourced, which generates employment and income for the region. - The forest-related services are identified and recognized - Carbon Credit project has been developed. - PLANTAR participates of Hydrographic Valleys Committees. - It does not use fire to prepare the soil. - It protects representative portions of the ecosystem inside the landscape in their natural state and they are identified in maps. - The harvesting and silvicultural equipments are adequate for the local conditions (topography, type of soil) and they are economically viable. - There are formal operational procedures to control erosion, protect water resources and minimize damages during harvesting and road constructions. - There is a program to recover permanent preservation areas. - There are formal procedures to control hunting and fishing. - There is no conversion of forest areas for other non forest uses. - There is a continued Forest Inventory Program, in which the estimate production is equivalent to the one obtained for the inventory. - There is compatibility between the annual harvest and the growth data. - The harvest of forest products does not exceed the sustainable production level. - There is an adequate fire prevention program. 		
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	<ul style="list-style-type: none"> - The chemical products, containers, non-organic liquid and solid residues, including fuel and lubricating oil are disposed in environmental friendly manner and in appropriate place. - The use of biological controlled products is documented, monitored and rationally controlled. - The organization does not use genetically modified organisms. 		
P 06. Environmental Impact.	<ul style="list-style-type: none"> - UNISEs have been making extensive surveys from the fauna and flora. - The organization has been engaged in surveys about restoration methodologies and it has been even testing innovative methods. - The organization has developed a Program to Recover Permanent Preservation Areas. This program is being consolidated and the organization has been seeking to make its Legal Reserves viable. - There is a good flora and fauna, refuge areas, food and animal reproduction area zoning from threaten, rare and endemic from the region. - The areas reserved for HCVF represent natural and well-preserved ecosystem from the region. - There is a preventive and firefight forest program. - The equipment used for forest harvest activities are chosen in order to minimize potential environmental impacts. - The damages caused by pests are slow. - The use of pesticide is justified, with the respective filed tests and all acquisition of agrochemicals has its corresponding agronomical prescription. - The employees who make Agrochemical application are trained and they are given all applicable safety equipments. - There is a pesticide management program which included its receipt, storage, application, its return and final destination of the empty containers. - There are procedures and adequate infrastructure to handle, treat, discharge, and final disposal of residues and containers. 	<ul style="list-style-type: none"> - The maps from the properties must be improved. The main improvement necessary is on the identification of the main phyto – physiognomies and from the ecological corridors, linking them to the APPs and the legal reserves. - The water quality monitoring from Boa Morte River must be improved. The effluent from the nursery decantation tank is disposed on this river. - The rainfall contention system on internal roads must be reviewed. - The programs to prevent erosion on the planted areas must be reviewed. - The vegetation of transmission lines and clear areas must be implanted in order to prevent that the soil gets exposed. 	<p>CAR</p> <p>2008-04</p> <p>2008-05</p> <p>2008-06</p> <p>2008-07</p> <p>2008-10</p>
P.07: Management Plan	<ul style="list-style-type: none"> - There is a Management Plan which is adequate to the forest operation proposed. This Management Plan has been implanted and constantly updated. The Forest Management long-term objectives and the means to obtain them 	<ul style="list-style-type: none"> - It is necessary to link the actions taken for the environmental – socio impacts with the ones shown in the Management Plan. 	<p>CAR</p> <p>2008-08</p>

	<p>are clearly described.</p> <ul style="list-style-type: none"> - Description of forest resources which will be managed and description of management system according to its characteristics. - There are evidences that the management and operation team know the management plan. - A summary of the forest management plan is available to the public. - The management plan is reviewed from time to time. - There is a program to supply training for direct and outsourced employees. - The roads are planned, implanted and maintained according to technical specification. - There are descriptions and technical justification of the harvested areas and equipments used. - There is a control and adequate storage of harvested products. - There is preventive and firefight program. There are also trained teams with defined responsibilities. 		
P 8. Monitoring and Evaluation.	<ul style="list-style-type: none"> - There are documented monitoring programs available. - All information gathered from the monitoring program is recorded in bank data and they are subsequently used to review the forest management operations. - Methodological Procedures (technical and samples) have been adopted to evaluate the fauna and flora, which allow comparisons (evaluation of possible alterations in the community composition and it may allow the identification of more adequate management for the FMUs. - The organization has a micro-valley model to monitor the forest management. - The procedures adopted by the organization allow monitoring and tracking every forest product – from its origin to it gets out of the farm / Management Unit. 		
P09. Maintenance of Forests with High Conservation Values.	<ul style="list-style-type: none"> - The three areas defined as HCVs (Meleiro, Jacaré and Morro do Tamanduá Reserves) are really important and they conserve significant fragments of native ecosystem with fauna and flora threatened species. 	<ul style="list-style-type: none"> - The areas are constantly threatened by hunters from the region and by cattle invasion from Lindeiros properties. Consequently there are populated areas which may need a specific recovery program. 	Major CAR 2008-02

<p>P10. Forest Plantations</p>	<ul style="list-style-type: none"> - The objectives of the forest plantations are clear on the Management Plan, including the conservation of Permanent Preservation areas and Legal Reserves. - The organization complies with all its Legal Reserves obligations, making adequacy of permanent preservation areas, when necessary. - Compared with the land use activities in its vicinity, the forest plantation provides protection for remaining natural areas, allowing conservation of important wild species habitats. - The natural ecosystems are protected and identified on map. - The organization area is spread in three Minas Gerais municipalities and it has created a market place. - PLANTAR develops an excellent long-term genetic improvement program (hybridization and clone techniques). - The selection of species for plantation is based on its total adequacy for the region – Curvelo region / Minas Gerais state – and it complies with the Forest Management objectives. - Adequate and modern techniques are used to prepare the soil (minimum cultivation) without using fire, with correct branch disposal, reduction of compacting in order to keep the soil conservation. - The erosive processes are controlled and monitored, minimizing their impacts on the water resources. - Adequate techniques for the local conditions (topography, type of soil, climate, etc) have been adopted. - There is a monitoring program and a constant quality control of the water disposed from the seedling nursery. - There is justification to apply and dose chemical products. - There is evidence to optimize agrochemical products (ants monitoring program and weeds in the implantation initial phase) and the replacement of these products by lighter active principles and / or mechanical methods (elimination of Eucalyptus germinate, mechanical hoe). - PLANTAR has not carried any deforestation to transform it in Eucalyptus plantation from 1994 on. The conservation areas ever since have been increased. 	<ul style="list-style-type: none"> - It is necessary to give continuity to the monitoring program on the decantation tanks, according to “<i>Decantation Tank from PLANTAR’s nursery</i>”, with seasonal samples until the next audit, including the sampling points previously defined, one point at Salmen’s property and one point at Itamar’s properties. They must be included on Oxygen Biochemical Demand analysis and parameters. - The organization must survey a harvest proposal for the FMUs which are above 1000 ha long (isolated or in block) using the water micro valley concept, considering this micro valleys sustainability (mosaic management). <p style="text-align: center;">□</p>	<p>CAR 2008- 05</p> <p>REC 2008-07</p>
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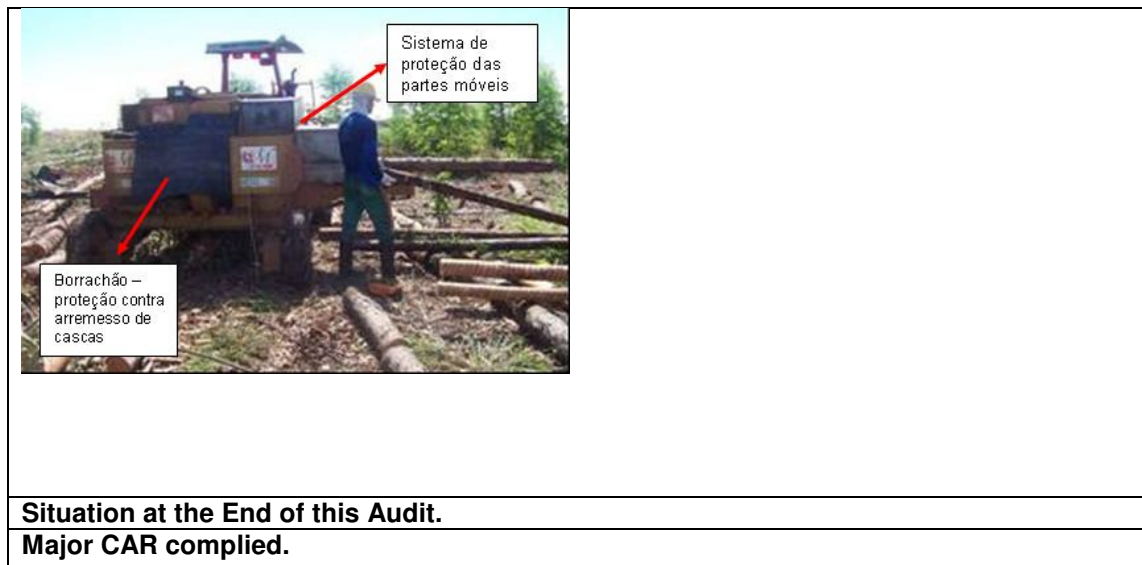
	- The organization has been using integrated management methods to eliminate pests and diseases.		
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4.2. PRE-CONDITIONS OR MAJOR CARS.

Pre-conditions are major corrective actions requested (CAR) which are defined in forest operations after the initial evaluation and before this operation get certified. The recertification cannot be granted if there is a Major CAR open.

We present below the Major Corrective Actions Requested (CAR) which were defined for PLANTAR during the initial evaluation. The organization has complied with all Major CARs in the period stipulated by the audit team and they were accepted and closed.

Background/Justification: During the audit, it was concluded that it is necessary to improve the Debarking Mechanized System protection because the workers get close to the machinery rotating parts, which makes them more vulnerable to accidents.	
MAJOR CAR 2008-01	The organization must adapt a log feeding system for the Debarker so that the works do not get exposed to the equipment rotating parts (P4C2Ci2).
Reference	<i>P4c2Ci2 FSC Criteria.</i>
<p>Action taken by the organization: The organization has gotten in touch with the equipment manufacturer in order to have the problem resolved. Measures have been introduced for protection and safety of the workers, such as:</p> <ul style="list-style-type: none"> - A device has been adapted to prevent workers to get close to the Debarker gear system (Figure 03). - Protectors have been adapted to minimize bark and pieces of wood thrown from the machine (Figure 03). - Safety and Quality Evaluation procedures have been introduced for cutting off tree branches activities. <p>The protection adapted to the equipment has been manufactured in steel sheets which covers all the wood feeding system rotating parts.</p> <p>Another protection device introduced was a rubber applied in the wood out feed line where the barks and pieces of wood are thrown.</p> <p>Other collective protection devices are being adopted in order to minimize risk of accidents. Administrative measures such as adoption of resting and shift between two teams have been well accepted by all employees; this measure has contributed to minimize the level of exposure to the risk, and consequently, reducing the risk of accidents.</p>	



Background/ Justification: PLANTAR has not completed its assessment for High Conservation Values	
Major CAR 2008-02	The organization must select the High Conservation Values areas and it must define the attributes which will be preserved.
Reference	<i>FSC Criteria P9</i>
Actions Taken by the Organization	
<p>PLANTA has chosen three areas as High Conservation Values.</p> <p>Reserva do Meleiro was the area defined at UNISE MG02, also known as <i>Sertório</i>. Most part of this area is located in Felixlândia municipality and the other one is in Curvelo municipality. Meleiro River limits both municipalities and separates the areas. Reserva do Maleiro High Conservation Value Forest is 1.366,24 ha long. Reserva do Maleiro Central Coordination: 23K 530038.57L 7918966.06S. In terms of conservation of Cerrado remaining biome, this is the most significant UNISE MG-02 area in extension and in continuity of vegetal formation. Environmental diversity is also very significant and there are ciliary forest along Meleiro brook, small portions of Decidual Forests and several degrees of Cerrado. Due to the environmental diversity, it is possible to observe a highly richness in vegetal species. There is the presence of Aroeira (<i>Myracrodruon urundeuva</i>), which, according to List of Threatened Flora from Minas Gerais State, is a threaten specie. There is also a high concentration of big -sized Pequi (<i>Caryocar brasiliense</i>). Several typical Cerrado fruit trees are also found, such as araticum (<i>Annona crassiflora</i>) and cagaita (<i>Eugenia dysenterica</i>). Several anthropic activities make it possible to observe the several levels of regeneration in several Cerrado fragments. Despite these interventions, the vegetation regeneration is very vigorous. Pastures are found along Meleiro brook water course, and <i>jagurá</i> grass is prevailing in its composition. There is also the presence of cattle in the area. Reserva do Meleiro High Conservation Value Forest forms a continuous massif which is 1.366,24 ha long, a significant long extension in terms of regional fauna and flora preservation. Beside this extension, it is also possible to notice in the neighboring area other adjacent native remaining, which makes it more important in terms of conservation. It is also possible to notice at the headquarters of the original property a series of arboreus, exotic, ornamental and fruit trees, such as orange and lemon trees <i>Citrus</i> spp), Eucalyptus (<i>Eucalyptus</i> sp), Pinheiro (<i>Pinus</i> sp), Flamboyant (<i>Delonix regia</i>), Amoreiras (<i>Morus nigra</i>), Avocado Tress (<i>Persea americana</i>), Mangueiras (<i>Mangifera indica</i>) and other shrub species, which does not jeopardize the importance of the area, as they are restricted to the vicinity of the former headquarters.</p> <p>The Survey “Program of Primate Fauna Inventory at PLANTAR’s Native Forest Areas”, which was carried out in 2007 was meant to identify and calculate the abundance related to primate species at Cerrado native vegetation areas; special attention was given to guariba-preto</p>	

(*Alouatta caraya*) and analyze the status of these populations in order to implement the future management and elaborate strategies to preserve the species involved. A group of Guariba (*Alouatta caraya*) was identified inside Reserva do Meleiro High Conservation Value Forest, a significant area which protects an important Cerrado remaining portion, and it is classified by Conservation International as hotspot. There is high conservation of fauna and flora species. There is high conservation of pequiizeiros - *Caryocar brasiliense*. This specie is protected by State Law 10.883/92, which declares it as permanent preservation in Minas Gerais state.

The areas defined at UNISE MG-03 were Reserva do Jacaré, known by this name because of Jacaré brook, which also named the farm. The area is located in Felixlândia and it is part of Represa de Três Marias valley. Reserva Jacará High Conservation Preservation Area is on registration 20.869 of Fazenda Jacaré rural property. Reserva do Jacaré is 20.869 ha long. Reserva do Jacaré Central Coordinator: 23K 494924.78L 7934827.42S. This is a most significant area in terms of extension of all UNISE MG-03. It is considered the ciliar strip from Rio do Peixe (Peixe River), this reserve is 902,50ha long. The lowest points, towards Jacaré brook and Rio dos Peixe, there are Cerradão. The Ciliar Forest prevails along Jacaré brook and Rio do Peixe, and in the junction of these water courses there is expressive lowland fields. At the left bank of Jacaré brook there is a natural lake. The Ciliar Forest also follows the two drainages which are originated inside the area and there are path ways in its woodlands. There is small occurrence of Cerrado fields along shallow soils. There is also a gravel bed inside the area. In the North, parallel to the Road, the area is crossed by small transmission line. Despite these alterations, the area is generally in good conservation conditions. Rio do Peixe protection strip and all drainage from Brejo brook is interconnected. This condition gives to this area special protection to its biodiversity, an extensive area which protects an important Cerrado remnant, today classified as hotspots by International Conservation because of high diversity of fauna and flora species.

Reserva Morro do Tamanduá has been defined as UNISE MG-04. It is known by this name because of a mount which can be found inside the Reserve. The area is located in Morada Nova e Mina's municipality and it is part of Represa Três Marias hydrographic valley. Morro do Tamanduá High Conservation Value Forest Reserve is in registration 2.462 from Fazenda Grande Buriti rural property. Morro do Tamanduá High Conservation Value Forest Reserve is 385, 12 ha. Morro do Tamanduá High Conservation Value Forest Reserve Central Coordinator: 23K 468211.13L 7932442.57S. This area is located almost at the center of the property (Tamanduá sector) and its landscape is dominated by elevations which divide the waters from Buriti Grande and Tamanduá brooks. There are Cerrado, Campo Cerrado, Decidual Forests and Ciliar Forests in the region. The area is significant and Cerrado and Decidual Forest prevail in the landscape, and field prevails in the more shallow soils. There is prevailing low-fertility soil which limits vegetation growth, especially in the higher areas (Tamanduá Mount). Despite the edaphic conditions, the Reserve is important for its extension, because it allows the preservation of an expressive area without fragmentations. There is also some drainage (intermittent and perennial) along the hills, which allow the development of big vegetations along the Ciliar Forest, representing a source for food for the fauna. These drainages are consequence of several brooks and are formed along Buriti Grande brook and the opposite hill forms several brooks - Tamanduá de Cima, Tamanduá de Baixo, and others which flow directly to Três Marias Reservoir. The elevation of Tamanduá Mount represents an important hydro reload and its base serves to flush the water along he soil. Três Marias Reservoir ciliar strip is connected with Tamanduá Mount, between the borders between Adelson de Souza and José Maria dos Santos's properties. The ciliar area along the reservoir is in good conservation conditions, and the landscape goes from Cerradão to Decidual Forests. Because of this characteristic, the strip has a great biodiversity species. This area is continued by Mr. Adelson de Souza's property, where there is a well-preserve Cerradão fragment, which is an extensive area which protects an important Cerrado remnant, today classified as hotspots by International Conservation because of high diversity of fauna and flora species. This is a hydro reload area.

Situation at the end of this Audit:

Major CAR complied.

5.0. CERTIFICATION DECISION

5.1. CERTIFICATION RECOMMENDATION.

According to determined by SCS 's Forest Conservation protocol, the evaluation team recommends that **PLANTAR S/A** is granted with FSC Ten-Year Recertification, with the respective "Well-Managed Certificate" subjected to the Corrective Actions Requested described on Item 5.2 for a five-year period (2008 to 2012). **PLANTAR S/A** has demonstrated that its system is capable to ensure all SCS Internal Standards for Forest Management Plantations in Brazil, Version 01, November 2007 are complied at the forest areas objects of this evaluation. PLANTAR has demonstrated that the Management System described is being complied correctly in all areas covered by this evaluation.

5.2. INITIAL CORRECTIVE ACTIONS REQUESTED (CARS).

Background / Justification: Because of the employee turnover and organizational changes at PLANTAR, it is necessary to have periodic new and refresher trainings.	
CAR 2008.03	The organization is to introduce a regular training program to ensure all employees about the relevant rules related to the activities developed by them.
Deadline	<i>2009 Audit</i>
Reference	<i>FSC Criteria P1C1i3</i>

The maps do not show all phyto physiognomies existing in the area (Cerrado, Cerradão, Decidual Forests, Wetlands, etc). This information and the identification of Ecological Corridors will allow a more precise evaluation of the connectivity between the fragments of natural ecosystem and the efficiency of the Corridors Program.	
CAR 2008.04	The organization must update the maps / sketches showing the UNISE relevant phyto physiognomies. It is also to identify the existing Ecological Corridors, and the ones projected for the next five years.
Deadline	<i>2009 Audit</i>
Reference	<i>FSC Criteria P6c1i2; P6C2i1; P6c2i5</i>

Background / Justification: The monitoring of the Seedling Nursery Decantation tank is essential in environmental terms and for the preservation of Boa Morte brook and for a good relationship with neighboring communities (mainly the neighbors who live downstream the river).	
CAR 2008.05	The organization must continue the Decantation Tanks monitoring, according to report "PLANTAR's Nursery Decantation Tank Monitoring Program", with sampling until next annual audit, including, besides the sampling points previously defined, a point at Mr. Salmen's property and another point at Mr. Itamar's property. The organization must include the DBO parameters on the analysis.
Deadline	<i>2009 Audit</i>
Reference	<i>FSC Criteria P10c7i1</i>

Background / Justification: In some roads the systems is not efficient and the maintenance is precarious. There is water embanked on the roads.	
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CAR 2008.06	The organization must develop and implement procedures for systematic review of rainfall events with regular road maintenance in all FMUs.
Deadline	<i>2009 Audit</i>
Reference	<i>FSC Criteria P6c5i1</i>

Background / Justification: According to Principle 6, Criteria 5, the actions to control erosion must be prepared and implemented through written orientation.	
CAR 2008.07	The organization is to introduce an erosion monitoring and control system for the soils inside the Management Units (FMUs).
Deadline	<i>2009 Audit</i>
Reference	<i>FSC Criteria P6C5i1</i>

Background / Justification: PLANTAR has been developing a series of social issues initiatives for its employees (e.g. financial support for graduation courses) and the integration of rural communities (e.g. internal fairs) in Curvelo. These initiatives, however, do not mention the procedures adopted and the results obtained (in report or written documents). These activities must be linked to the socio-environmental impacts mentioned in the Management Plan.	
CAR 2008.08	The organization must develop reports or documents for the social initiatives, linking them to the socio – environmental impacts mentioned in the Management Plan.
Deadline	<i>2009 Annual Audit</i>
Reference	<i>FSC Criteria P7c1i1</i>

Background / Justification: PLANTAR has been monitoring safe techniques to fell trees, however, these data do not have parameter and are not evaluated, which makes it difficult to correct failures or even improve them	
CAR 2008.09	The organization is to introduce in 2009 audit a report for the monitoring of safe techniques to fell trees with all statistics.
Deadline	<i>2009 Annual Audit</i>
Reference	<i>FSC Criteria P4c2C e D</i>

Background / Justification: The exposed soil, even the one in small portion existing in the clearances areas and below transmission line causes environmental losses, and it is necessary to adopt measures to prevent this exposition.	
CAR 2008.10	The organization is to develop procedures to prevent total soil exposure, keeping low vegetation along the clearance areas and high-voltage lines.
Deadline	<i>2009 Audit</i>
Reference	<i>FSC Criteria P6c5i1</i>

Background / Justification: According to several examples on the audits works, the organization has been motivating dialogue to solve problems and eventual conflicts between members of the workforce. This practice is not adopted in all departments of the organization, which resulted in less satisfaction of workers interviewed from specific departments, and consequently in the performance of the work. There is also a monitoring on the ways the managers and foremen relate to their subordinates.	
CAR 2008.11	The organization is to develop a program to qualify field Foreman in personal relationship to improve the relationship and dialogue in the worker teams.
Deadline	<i>2009 Annual Audit</i>
Reference	<i>FSC Criteria P4c2 Di1; P4c7i2</i>

Recommendations

Background / Justification: The bus used by PLANTAR to transport employees and the service provider companies is in good conservation. However, the bus which transports the debarking team, one of the most dangerous and tiresome activities, has been pointed by this team as deficient and inferior compared to the buses used by other departments of the organization – the seats are hard and slippery and there is reduced space between the seats. It makes their trip even more exhaustive.	
REC 2008.01	Reevaluation of the Debarking Team´s bus

Background / Justification: It is evident that there is not prejudice for female workforce at PLANTAR. It uses female workforce for the same activities developed by men, such as pesticide application. The great risks of exposure to pesticide take place during pregnancy and breast feeding periods. The organization must include on the procedures measured to prevent these risks.	
REC 2008.02	The organization must adopt preventive measures related to female workforce (pesticide-application activity) during pregnancy and breast-feeding periods.

Background / Justification: All new employees hired to work at PLANTAR, especially the ones from outsourced workforce must make integration before starting its activities at PLANTAR in order to be introduced to the organization rules.	
REC 2008.03	The organization must include on the service provide contracts the rules for access of new employees to PLANTAR area, ensuring an integrating process. The employees who get access to the plant from time to time must be informed through written documents (folders, brochures, etc).

Background / Justification: According to P6.c7.i1, there should be a residue management plan, including its identification, classification, transport and final disposal. The receipts from the companies which are receiving the materials are fundamental.	
REC 2008.04	The organization must restructure the existing document to the final residue disposal, annexing the receipts from the organization which receives the materials; they must be quantified as well (P6c7i1).

Background / Justification: The documentation shows is not updated – it is from 2003 and therefore, it should be updated.	
REC 2008.05	The organization must update the Contingency Plan for products dangerous to the environment (latest version is from 2003 (P6c7i3).

Background / Justification: According to workers declarations, the activities related to manual harvest, including debarking of logs are the most tiresome activities and they are the ones most exposed to accidents. There is a labor gym activity adapted to this kind of activity which may contribute to prevent several accidents at the workplace. Activities that break the routine during the debarking operations may prevent severe accidents.	
REC 2008.06	The organization should develop a fitness program for the manual harvesting activities, including debarking of logs.

Background / Justification: According to P10C2, the annual harvest levels must consider sustainability of hydrographic micro-valleys from the FMUs. Extensive areas of clearfelling may affect the production of water in the region, mainly in areas where there is a deficit of water resources, such as Cerrado from Minas Gerais region.	
REC 2008.07	The organization is to study a proposal for the FMUs bigger than 1000 ha long (isolated or in block), using the concept of hydrographic micro valleys, considering the sustainability of these micro-valleys (management in mosaic).

6.0. MONITORING EVALUATION.

According to FSC Criteria and Principles, the certified organization must make monitoring evaluations at least once a year in order to monitor the execution of every Corrective Actions Requested and review the continuity of PLANTAR's compliance with SCS Standards for Forest Plantations Certifications in Brazil, Version 1.0. The public summary of the monitoring evaluations will be available at SCS webpage (www.scscertified.com).

7.0 – SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES

We present below a summary of SCS procedures for complaints and appeals. The complete procedures are available at SCS US, upon request, for any organization that may eventually detect any irregularity at SCS Forest Conservation Plan and which has any reason to question SCS due to its actions, or related to SCS certificate holders.

The SCS Complaint Investigation Procedure is a first-stage forum and mechanism for hopefully resolving issues, thereby avoiding the need to involve the FSC. A complaint may come from either clients (e.g., forestland owner, mill owners, manufacturer or retailer, brokers) or from other parties such as interested stakeholders. To have standing under this Procedure, complaints must be in writing, accompanied by supporting evidence, and submitted within 30 days of the date in which the action triggering the complaint occurred.

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.

The formal complaints must 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

According to detailed on SCS Certification Manual, the investigations about complaints will be carried out in a confidential manner for a reasonable period of time. If appropriate, corrective or preventive actions and the elimination of any deficiency found in the products or services must be provided and documented.