

**ASSESSMENT OF PLANTED FOREST MANAGEMENT**  
**RECERTIFICATION PROCESS OF CONPACEL (CONSÓRCIO PAULISTA DE**  
**PAPEL E CELULOSE) IN THE STATES OF SÃO PAULO AND PARANÁ - BRAZIL**  
**CONDUCTED ACCORDING TO THE PRECEPTS OF FSC AND THE SCS FOREST**  
**CONSERVATION PROGRAM**  
**Certification Program Accredited by FSC**

**Certificate Number: SCS-FM/COC-00076P**

Submitted to

**CONSÓRCIO PAULISTA DE PAPEL E CELULOSE - CONPACEL**

Bairro do Lageado, s/nº - Limeira – SP  
CEP13465-970 – CP 254 – Americana – Estado de São Paulo, BRASIL

Coordinated by Vanilda R. de Souza

Field audit dates: Mar. 30<sup>th</sup> to Apr. 3<sup>rd</sup>, 2009

Date of the final version of report: Jul. 17<sup>th</sup>, 2009

Recertification date: Jul. 20<sup>th</sup>, 2009

**BY**

**SCIENTIFIC CERTIFICATION SYSTEMS**

2000 Powell St., Suite 1350

Emeryville, CA 94608, USA

[www.scs-certified.com](http://www.scs-certified.com)

**SCS contact:** Dave Wager – [dwager@scs-certified.com](mailto:dwager@scs-certified.com)

**CONPACEL contato:** Rogério Salamuni – [salamuni@conpacel.com.br](mailto:salamuni@conpacel.com.br)

**Organization of the report**

This report is the result of the assessment by the auditor team and is divided into two sections. The Public Summary and the basic information required by FSC (Forest Stewardship Council) are in section A. This section will be open to the general public with the purpose to provide a general view of the assessment process, the administrative and management processes, the plan of action in forest management, and the result of the assessment. Section A will be posted on SCS web page ([www.scs-certified.com](http://www.scs-certified.com)) within a maximum of 30 days from recertification. Section B contains more detailed information for the company's use.

## **Certification process**

Certification process for eucalypt planted forests of Conpacel (Consórcio Paulista de Papel e Celulose) in the States of São Paulo and Paraná, Brazil. CONPACEL manages 113,786.48 hectares distributed over 50 municipalities in the State of São Paulo and in 2 municipalities in the State of Paraná. Of this area, 82,603.26 hectares are within the scope of certification. This is made up of 57,309.74 ha effectively planted, 21,402.48 ha are set aside for conservation, and 3,891.04 ha are for the infrastructure.

## INDEX

<b>FOREWORD .....</b>	<b>5</b>
<b>SECTION A – PUBLIC SUMMARY AND BASIC INFORMATION .....</b>	<b>6</b>
<b>1.0 GENERAL INFORMATION.....</b>	<b>6</b>
<b>1.1 DATA REQUIRED BY FSC .....</b>	<b>6</b>
<b>1.2 FOREST MANAGEMENT CONTEXT .....</b>	<b>7</b>
1.2.1 Environmental context.....	8
1.2.2 Socio-economic context .....	10
<b>1.3 FOREST MANAGEMENT .....</b>	<b>13</b>
1.3.1 Use of soil.....	13
1.3.2 Areas outside the scope of certification .....	14
<b>1.3.3 System to control forest products from their sources, path route, and identification.....</b>	<b>14</b>
<b>1.4 MANAGEMENT PLAN .....</b>	<b>14</b>
1.4.1 Objectives of management.....	14
<b>1.4.2 Composition of the FMU (Forest Management Unit).....</b>	<b>15</b>
1.4.3 Silvicultural system .....	17
1.4.4 Management system.....	18
1.4.5 Monitoring system .....	19
1.4.6 Estimates of maximum sustained production .....	21
1.4.7 Present and projected production estimates .....	22
1.4.8 Pesticide use .....	22
<b>2.0 STANDARD USED IN THE ASSESSMENT PROCESS .....</b>	<b>23</b>
<b>3.0 ASSESSMENT PROCESS .....</b>	<b>23</b>
<b>3.1 DATES OF ASSESSMENT .....</b>	<b>23</b>
<b>3.2 ASSESSMENT TEAM.....</b>	<b>23</b>
3.2.1 Auditing team.....	23
<b>3.3 ASSESSMENT PROCESS .....</b>	<b>25</b>
3.3.1 Itinerary.....	26
3.3.2 Assessment of the management system .....	29
3.3.3 Selection of farms for assessment.....	30
3.3.4 Sites visited .....	30

3.3.5	<b>Consultation to local leaderships (Stakeholders)</b> .....	31
3.3.5.1	<b>Model – Public Consultation at Conpacel</b> .....	32
3.3.5.2	<b>Model – Questionnaire of Public Consultation at Conpacel</b> .....	34
3.3.5.3	<b>Summary of public concerns and replies by the team</b> .....	35
3.3.6	<b>Other assessment techniques</b> .....	35
3.4	<b>TIME SPENT IN AUDITING</b> .....	35
3.5	<b>PROCESS TO DETERMINE CONFORMANCES</b> .....	36
4.0	<b>RESULTS OF THE ASSESSMENT</b> .....	36
4.1	<b>MAIN STRONG AND WEAK POINTS IN PERFORMANCE OF CONPACEL IN REGARD TO FSC P&amp;C</b> .....	37
4.2	<b>PRE-CONDITIONS OR MAJOR CAR</b> .....	46
5.0	<b>DECISION ABOUT CERTIFICATION</b> .....	48
5.1	<b>RECOMMENDATION FOR CERTIFICATION</b> .....	48
5.2	<b>INITIAL CORRECTIVE ACTIONS REQUESTS (CAR)</b> .....	48
6.0	<b>SURVEILLANCE AUDITS</b> .....	50
7.0	<b>SUMMARY OF SCS PROCEDURE IN REGARD TO INVESTIGATIONS OF COMPLAINTS</b> .....	50

## FOREWORD

Group ZDZ (Zogbi, Derani, and Zarzur) acquired Fábrica de Cartão de Limeira (cardboard mill in Limeira) in 1958 and Fábrica de Celulose e Cartão Ribeiro Prada (pulp and cardboard mill) in Limeira and Cia. Santista de Papel (paper mill) in Cubatão in the 1960's, consolidating the name Ripasa. This company involved an industrial complex made up of four units in the State of São Paulo, with an asset of 90 million trees planted in eight forest parks on a total of 86,000 hectares. This area includes 16,000 ha of natural reserves for permanent preservation.

In 2004, Ripasa was the fifth largest company in the sector in Brazil and was an expressive player in the international market, mainly in Mercosur. Other markets included Central and North America, Europe, Asia, and Africa. The same year, in November, the company was acquired jointly by Suzano Papel e Celulose S.A. and Votorantim Celulose e Papel S.A. In September, 2008, Conpacel (Consórcio Paulista de Papel e Celulose) was consolidated.

SCS (Scientific Certification Systems), a certifier accredited by FSC (Forest Stewardship Council), was commissioned by Conpacel to perform a partial recertification assessment of its forests located in (Forest Parks): São Simão, Ibaté, Boa Esperança do Sul, Itirapina, Lençóis Paulista, Avaré, Itararé, and Anhembi, in the State of São Paulo. Under the coordination of Itararé Region, Tucunduva and Várzea farms (fazendas), located in the municipality of Sengés, State of Paraná, are included. FSC certified areas in these regions add up to 82,603.26 ha of which 57,309.74 ha are planted with eucalypts and pines, 21,402.48 ha are set aside for natural ecosystem conservation (APP and RL), and 3,891.04 ha for infrastructure.

The multidisciplinary team of specialists in natural resources collected and analyzed documented material, performed public consultation through questionnaire and public meetings, conducted interviews, and performed field and office audits during five days on the properties required for certification assessment. After the data collection phase, the team concluded that the company complies with FSC Principles and Criteria and recommended its certification.

This report has the objective of supporting the recommendation for FSC certification of Conpacel planted forest management in the States of São Paulo and Paraná. After full assessment of the company forest management, the audit team issued some pre-conditions (conditions to be met or made adequate before the report is finalized) to the company. These were all complied with, as verified by SCS. In case the certificate is awarded, the certifying body will post this public summary on SCS web page ([www.scscertified.com](http://www.scscertified.com)).

## SECTION A – PUBLIC SUMMARY AND BASIC INFORMATION

### 1.0 GENERAL INFORMATION

#### 1.1 DATA REQUIRED BY FSC

<b>Company</b>	<b>CONPACEL – Consórcio Paulista de Papel e Celulose</b>
Contact:	Rogério Salamuni – Superintendente Florestal
Address:	Bairro do Lageado s/nº, Limeira, SP, CEP: 13465-970. Caixa Postal 254, Americana, Estado de São Paulo, BRASIL
Telephone	+ 55 (19) 2108-3455
Fax	+ 55 (19) 2108-3455
E-mail	<a href="mailto:salamuni@conpacel.com.br">salamuni@conpacel.com.br</a>
WEB	<a href="http://www.conpacel.com.br">www.conpacel.com.br</a>
Type of certification	A single management plan (FMU).
Number of FMU	1
Number of assessed farms that are less than 100 ha	6
from 100 to 1.000 ha	39
from 1.000 to 10.000 ha	20
more than 10.000 ha	1
Location of the forests to be certified	
UTM N	7.314.985,98 to 7.686.780,43
UTM E	188.597,11 to 805.156,26
Forest Region	Northeast-Southwest transect through Central São Paulo and Northern Paraná Regions
Total forest area for assessment included in the FMU	82,603.26 ha
With less than 100 ha	388.86 ha
from 100 to 1.000 ha	20,461.22 ha
from 1.000 to 10.000 ha	50,512.11 ha
more than 10.000 ha	11,241.07 ha
Land tenure	Private (91.42 %)

Number of forest workers (including contractor workers) in the certified area	74 employees and 1,544 contractor workers
List of pesticides used in the FMU	Glyfosate, Isoxaflutol, Sulfluramide*, Fipronil*, and Deltamethrin*.
Forest areas protected from harvesting activities and managed, preferentially for conservation.	21,402.48 ha
Forest areas defined as High Conservation Value Forest	4,5537.48 ha
Attributes of high conservation value present	Três Barras river watershed at Fazenda Ibiti which supplies water to the city of Itararé - SP.
Productive forest area	57,309.74 ha
Productive forest area classified as “plantations” for the estimate of the Annual Accreditation Rate.	57,309.74 ha
List of commercial timber included in the assessment (scientific and common names)	Eucalypt ( <i>Eucalyptus</i> spp.), eucalypt interspecific hybrids ( <i>E. grandis</i> , <i>E. saligna</i> , <i>E. camaldulensis</i> , and <i>E. urophylla</i> )
Approximate annual volume authorized for harvesting	2,850,000 m <sup>3</sup> of debarked logs/year
Category of products certified jointly FM/COC and, therefore, possible to be sold as FSC products.	Eucalypt logs and forest residues.

\*products under derogation process

## 1.2 FOREST MANAGEMENT CONTEXT

Conpacel produces pulp and paper from eucalypt in its mill at Bairro do Lageado s/n, Limeira, Estado de São Paulo. It is controlled by Suzano Papel e Celulose and Votorantim Celulose e Papel. The product is sent to both internal and external markets. The plantation forest management practiced by Conpacel complies with national and state norms and laws pertaining to the activity. The following regulations are observed:

At federal level:

- a. Brazilian Forestry Code (Law nr. 4771/65, changed by Law nr. 7803/89);
- b. Provisional Measure nr. 2.166-67 from Aug. 24<sup>th</sup>, 2001 which changes the Law nr. 4.771/65 (Forestry Code);
- c. National Conservation Unit System Law (Law nr. 9.985/2000).

At state level:

- a. Ordinance 17 of DEPRN (São Paulo), from Mar. 30<sup>th</sup>, 1998 (establishes the initial documents and procedures required to obtain license for the activity);
- b. Issuing of bill of sales when trading products.

At municipal level:

- a. Payment of ISSQN when using contractor companies' services.

In addition, payment of all labor dues at federal level is mandatory. These include:

- a. Social security;
- b. FGTS (severance fees);
- c. Union fees.

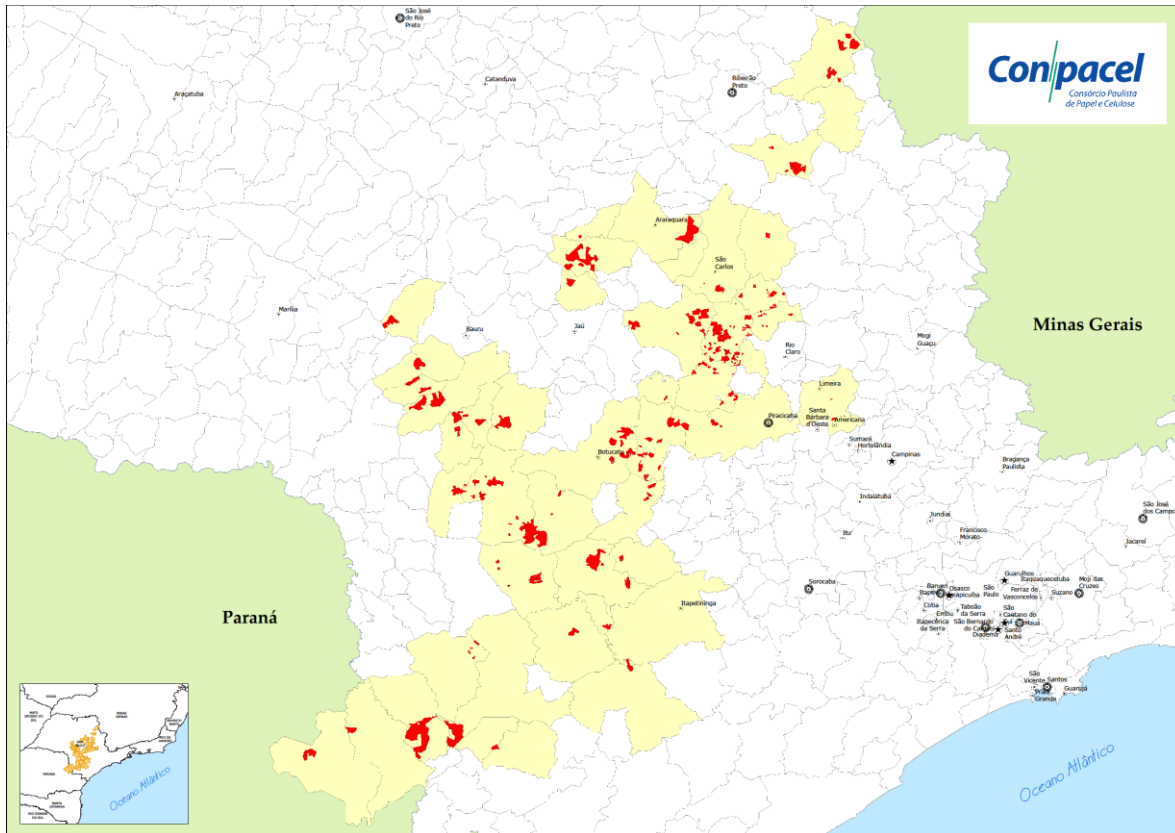
### **1.2.1 Environmental context**

Conpacel forests, which are the objects of certification, are distributed over 52 municipalities in the States of São Paulo and Paraná (Figure 1). The region extends along a northeast-southwest transect in the State of São Paulo and includes two municipalities in the State of Paraná. The predominant soils in the region are Latosol (Oxisol), Argisol (Ultisol) and also quartz sands (Quartzi-psamment). The general climate is characterized as Humid subtropical with a dry season from May to July and the rainiest months in January and February.

Forest activities are performed in eight regions (Forest Park), each one involving a group of farms of the neighboring municipalities:

a) Anhembi – this region is at a 480 m elevation where the predominant soil type is the Low base saturation Red yellow Argisol (Ultisol). In a lesser extent, Low base saturation Red yellow Latosol can also be found. The climate is of Aw type, according to Koeppen's climate classification system where the annual mean temperature is 22.3° C and the annual mean rainfall is 1,307 mm.

b) Avaré – this region is at 780 m elevation and the predominant soil is the Low base saturation Red Latosol. Other types of soil present in lesser extents are High base saturation



**Figure 1.** Municipalities where Conpapel is operating.

Red Latosol and the Low base saturation Red Argisol. The climate is of Cwa type, with annual mean temperature of 20.6° C and annual mean rainfall of 1,388 mm.

c) Boa Esperança do Sul – this is located at 490 m elevation, in a region with a climate of Aw type where the annual mean temperature is 22.7° C and the annual mean rainfall is 1,300 mm. The predominant soil types are Low base saturation Red Latosol and Distroferric Red Latosol.

d) Ibaté – this region is located at 838 m elevation, with a climate of the type Cwa where the annual mean temperature is 20.4° C and the annual mean rainfall reach 1,501 mm. The predominant types of soil are the Distroferric Red Latosol and the Low base saturation Red Latosol.

e) Itararé – this region is located at 740 m elevation and includes part of the state of Paraná. The climate is of type Cfa with the annual mean temperature of 19.4° C and the annual mean rainfall of 1,414 mm. A wide variety of soils can be found, including Low base saturation Red Latosol, Low base saturation Argisol, High base saturation Argisol, Argiluvic Chromic Alisol, Haplic Cambisol (Inceptisol) with low activity clay, and Low base saturation Litholic Neosol (Inceptisol).

f) Itirapina – located at 760 m elevation, this region presents a climate of Cwa type with annual mean temperature of 20.8° C and annual mean rainfall of 1,450 mm. The soils are predominantly Red yellow Argisol. However, great extensions of Quartzarenic Neosol (Quartzi-psamment) and Low base saturation Red yellow Latosol are also present.

g) Lençóis Paulista – this region is at 560 m elevation in Aw type climate with annual mean temperature of 21.8° C and annual mean rainfall of 1,314 mm. The soils in the region are mostly Low base saturation Red Latosol, with lesser presence of Low base saturation Argisol and High base saturation Red Latosol.

h) São Simão – this is located at 620 m elevation and a climate of Aw type with annual mean temperature of 22.9° C and annual mean rainfall of 1,470 mm. The soils are predominantly Distroferric Red Latosol and Low base saturation Red Latosol.

In terms of vegetation, these regions are within an ecologic tension zone characterized by the contact between two basic types which are the Seasonal semi-deciduous forest and the Cerrado (savanna). Other types also present are Mesophytic forest, and various phytophysionomies of Cerrado (Cerradão, Cerrado, and Campo Cerrado). Because they are highly diverse and threatened vegetation domains (hotspots), they are considered important for conservation, even though they have suffered human interferences. In these regions, as in the whole State of São Paulo, the economic development process caused great changes in the natural environment and landscape. The vegetation, which used to cover 81.8 % of the State, prior to the large scale human occupation (around 1920), was reduced to 13.4 % in 1993 and it is certainly further reduced at the present.

The destruction of local wildlife habitat has resulted in significant impacts to animal species associated with each forest formation. In most of the inland portion of the State, the landscape was reduced to extremely fragmented forest remnants. Only at the Atlantic Forest along the Serra do Mar (Coastal range) do some continuous forest areas with a relative ecologic integrity remain.

### **1.2.2 Socio-economic context**

Conpacel certified areas cover a region under the influence of the main urban areas in the State of São Paulo, represented by Ribeirão Preto, Araraquara, São Carlos, Bauru, and Botucatu. The economy in this region is strongly supported by the sugar and alcohol agro-industries, as well as beef-cattle, fruit production, and intensive silviculture for short-fiber pulp and paper.

Until the last decade, the most important economic activity used to be beef-cattle and coffee production. However, with the retraction in these activities, other crops such as orange, sugarcane, and eucalypts expanded and pushed up land value with the production of high added value items on areas that used to be under-utilized due to inadequate soil management (abandoned coffee farms and degraded pasture lands).

Other segments of the economy are present as well, such as pulp and paper, wood fiber board (MDF, HDF, MDP, and laminated boards) industries, in addition to mechanical and textile industries and services in transport, logistics, and commerce in general. Because of the presence of several forest companies in the region, they represent one of the most important sector for job opportunities to the local population. There are also important education hubs in the region, with the presence of several universities and trade schools.

On annual basis, Conpacel surveys socio-economic indicators in all municipalities where it operates. These data are used by the company to plan investments according to the local socio-economic profile. Although the survey covers all areas where Conpacel operates, the

relationship with the communities are centered in municipalities where 63 % of the company's planted areas are concentrated. Of the value invested by Conpacel in 2008, in terms of ISS (tax over services), 77 % (R\$ 1,515,423.00) were applied in these municipalities. The average urban occupation in these municipalities is 85 %. The main economic activity is agriculture. However, eucalypt has become significantly important. The relevance of the industry in some municipalities contributes to increase the municipal Human Development Index (IDH), which has reached 0.78, indicating an average human development in the region. The level of illiteracy is 10 %, which is above the State average (5.6 %). According to the São Paulo State Social Responsibility Index, the indicators of wealth, longevity, and schooling are unfavorable in these municipalities. Wherever this indicator shows a favorable figure, the economy is based on industry.

Among the municipalities where Conpacel forest parks are located, Lençóis Paulista presents the highest IDH (0.81). This is highly relevant because it is also one of the most populous municipalities, with 62,033 inhabitants, second to Avaré which has 86,817 inhabitants and IDH = 0.80. The other municipality with the same IDH is São Simão with only 14,955 inhabitants. The lowest IDH is in Itararé (0.73), in spite of its 50,813 population. The social responsibility of Conpacel for the development in this municipality becomes very important because there is no significant industrial activity and the company's planted areas cover 10,346 ha, which represent 12.5 % of the company plantations and 10.3 % of the municipality land area.

Conpacel maintains a constant interaction with the communities through their employees, contractor companies and their employees, the public officials, the neighboring communities, the NGOs, the press, and others. This interaction is ensured by means of several instruments (Table 1) and constitute a fundamental factor for a peaceful and beneficial coexistence.

**Table 1.** Communication instruments between Conpacel and the communities.

<b>Communication channel</b>	<b>Description</b>
[C] key	Digital gateway on intranet with institutional news.
E-mail for internal communication	Sends brief institutional information.
Internal campaign	Communication material (banners, posters, booklets) for publicity and awareness of Conpacel policies.
Safety Integration video	Institutional information and guidance on safety shown at contractor workers integration sessions.
Conpacel TV	News video shown monthly with institutional information through statements.
LiNCp – Line of commitment with prevention	Records of incidents regarding quality, environment, labor health, and forest management. The situations are analyzed and solved if outstanding.
CAPI – Open channel with	Records of complaints about operational aspects at

stakeholders	Conpacel. The complaints are analyzed and the stakeholder is informed.
Conpacel web page	Internet web page with institutional information <a href="http://www.conpacel.com.br">www.conpacel.com.br</a> .
Prosperar web page	Internet web page with information on PROSPERAR (Conpacel forest assistance program) <a href="http://www.conpacel.com.br/prosperar">www.conpacel.com.br/prosperar</a> .
Alerta Verde ( <i>Green Alert</i> )	To prevent fires at Conpacel Forest Parks and neighboring vegetation. Activities involving adjacent communities are organized to offer them advices about fire prevention and to hand them kits containing general information and Conpacel toll-free phone number to call in case of fire: 0800-771-1418.
Protected Neighborhood	To prevent risky situations and to protect animals, plants, and watershed. If some action by Conpacel is needed that may affect neighboring properties, Conpacel warns them all ahead of time.
Public Hearing	Meetings every 5 years to check the satisfaction of the community toward the relationship of Conpacel with the society.
Code of Conduct denouncement channel	The Code of Conduct offers Conpacel staff guidelines on behaviour. The denouncements, doubts, criticisms, and suggestions can be made by letter, e-mail, or by toll-free phone 0800-725-3110.
Press Aid	Issues information through press releases in response to enquiries from the press.
Relationship events	Events to publicize institutional programs of public interest.

The close relationship of Conpacel with the communities adjacent to the forest parks strengthens the basis of its development with focus on perpetuity of the business. In this scenario, Conpacel has an active role in the regional socio-economic development.

In addition to stimulating the local economy by indirectly generating jobs in hotel business, ecologic tourism, products, services, and other sectors, this consortium maintains the following programs:

- a) “Conhecer para Preservar” (Get to know in order to preserve) – acting since 1987, has already received more than 100,000 public school students to visit ecologic trails at Fazenda Fortaleza, in Ibaté, and Fazenda Ibiti, in Itararé, both in the State of São Paulo. The initiative is meant to arouse the youth’s interest on responsible attitudes toward the environment by demonstrating the relationship between respect to nature

and citizenship with quality of life;

- b) “Telecurso 2000” – in Ibaté and Itararé regions, where illiteracy are the highest (9.6 % and 9.2 % respectively), specialized educators under the supervision of SENAI (National Service in Industrial Apprenticeship), offer supplementary classes to contractor company employees and their families as well as to local communities. From 2002 to 2008, the course issued certificate of completion to 428 students. At the moment, other 150 are attending classes;
- c) “Parceria Solidária” (Reciprocal partnership) – land lease contracts to local beekeepers and cattle grazers are maintained and the revenues are used in social projects to enhance a virtuous circle of development in the whole region. Eighteen municipalities already obtained benefit from this program from 2004 to 2008;
- d) “Prosperar” (Thrive) – this is a forest assistance program with which Conpacel incentivates and supports the production of eucalypts by small rural landholders near by the forest parks. This allows them to diversify production and to add revenues on their lands. This program has already assisted more than 150 landholders, involving more than 6,600 ha of eucalypt plantations.

Throughout the region where Conpacel operates, land tenure is peaceful, with no radical actions from social movements. There is no traditional or indigenous community in or nearby Conpacel operation areas.

### **1.3 FOREST MANAGEMENT**

Conpacel has identified the factors that affect production, mainly those related to water, light, and nutrient availability for growth and forest yield. In order to increase and maintain the productivity levels in successive rotations, Conpacel invests in search of better knowledge on these factors and on the impacts caused to the environment, which are under control.

The use of appropriate silvicultural techniques along with development of research projects has produced significant improvements in forest activities. These improvements are evident in monitoring data generated by the company. Operational procedures are defined for all activities in forest management, always aiming at the reduction of costs while respecting the social and environmental aspects as the basis for its forest development.

#### **1.3.1 Use of soil**

Conpacel activities have the purpose to supply its pulp and paper mill located in Americana, State of São Paulo. In order to produce the required raw-material, eucalypt plantations are managed under intensive short rotation silviculture. Under this regime, a large number of farms in the States of São Paulo and Paraná are involved. Most of these farms are certified by FSC. They are 82,603.26 ha of which only a small portion is not its own property (7,090.65 ha under lease). Within the scope of FSC certification are 57,309.74 ha with eucalypt plantations, 5,183.18 ha set aside as permanent preservation areas (APP), 16,219.30 ha set aside as legal reserves (RL), and 3,891.04 ha for infrastructure. All areas under management

are mapped and classified according to the type of land use (commercial plantations, conservation areas, roads, and others).

### **1.3.2 Areas outside the scope of certification**

The leased areas under Conpacel management add up to 31,095.19 ha of which 6,106.93 ha are already certified and the remaining portion or parts of it are being considered for certification. Plantations in private properties under Conpacel assistance are not certified and the decision to certify depends on the interest of the landholders.

### **1.3.3 System to control forest products from their sources, path route, and identification**

Procedures adopted by Conpacel are described in this section. Careful handling of products from the sources where trees are harvested to the output of logs from the farm is emphasized. The main requirement from the person in charge of forest management is to make sure that wood from certified sources is not contaminated with non-certified wood. This is accomplished by complying with FSC chain of custody criteria.

Conpacel maintains a forest record system including all forest areas down to the level of stands. Areas for harvesting are previously determined by the planning system and the operations follow detailed procedures and computerized controls from tree felling to the output of the logs from the farm.

The farms are registered in the general control system. The bill of wood sales or transport is issued electronically and the system verifies whether the wood is certified or not. If the wood is certified, the system inserts the certificate number and the FSC statement. At Conpacel pulp mill, the certification system ends at the reception of the logs where the system re-checks the source and certification of the wood.

## **1.4 MANAGEMENT PLAN**

### **1.4.1 Objectives of management**

The forest management at Conpacel is performed in all aspects to ensure sustainability and competitiveness of the venture and to make sure that projected demands are met in terms of forest productivity, social improvement, investment returns, and environmental quality on its operational areas through time. Adding to the commitment with the quality of products, Conpacel strives to transform all technological advances into additional elements of integration with the communities.

The forest management deals with the study, development, and application of modern techniques to achieve high wood quality and productivity in balance with economic development and maintenance of natural resources. Its main objectives are to:

- 1) supply the mill with raw-material for pulp and paper;

- 2) develop sustainable and high productivity eucalypt plantations;
- 3) control and minimize environmental impacts inherent to forest activities and to contribute with environmental preservation;
- 4) provide safe and sound work environment to collaborators;
- 5) contribute with the economic and social development in communities where it operates;

#### 1.4.2 Composition of the FMU (Forest Management Unit)

Conpacel areas within the scope of certification include 65 real estates (Table 2), most of them in the State of São Paulo and a small portion in the northern section of Paraná State.

**Table 2. Real estates with Conpacel certified forest management and land use.**

Farm	Areas (ha)				
	Plantings	APP	RL	IS*	Total
Morro do Forno	789.20	107.27	242.54	106.69	1,245.70
Santa Genoveva	2,127.23	108.36	540.91	86.85	2,863.35
Lagoa Rica	1,651.22	198.60	819.50	127.18	2,796.50
Jaborandi	337.83	0.00	79.63	15.37	432.83
Antônio Justino	36.08	0.00	1.28	2.79	40.15
<b>Subtotal</b>	<b>4,941.56</b>	<b>414.23</b>	<b>1,683.86</b>	<b>338.88</b>	<b>7,378.53</b>
Fortaleza	3,411.50	87.87	744.34	161.92	4,405.63
Horto Descalvado	254.17	6.07	64.14	38.52	362.90
Horto S. Carlos	518.62	0.21	310.51	150.95	980.29
Fazenda Bom Retiro	956.97	20.48	179.75	32.27	1,189.47
<b>Subtotal</b>	<b>5,141.26</b>	<b>114.63</b>	<b>1,298.74</b>	<b>383.66</b>	<b>6,938.29</b>
Flecha Azul	5,863.68	155.97	758.98	302.86	7,081.49
Curralinho	812.49	14.93	143.16	24.64	995.22
<b>Subtotal</b>	<b>6,676.17</b>	<b>170.90</b>	<b>902.14</b>	<b>327.50</b>	<b>8,076.71</b>

Continuity

Farm	Areas (ha)				
	Plantings	APP	RL	IS*	Total
Morro Grande	85.47	16.24	11.86	7.85	121.42
Morro Pequeno	18.26	0.00	8.70	0.87	27.83
Sinimbu	771.43	25.19	100.15	80.96	977.73

Monte Alto	98.27	0.00	0.00	0.00	98.27
Siriema I	914.31	42.80	408.22	194.59	1,559.92
Siriema II	406.61	0.00	0.00	0.00	406.61
Goiabal	359.34	19.55	86.30	18.60	483.79
Saligna	823.15	7.24	89.05	53.06	972.50
Sapoti	1,364.02	24.37	153.60	83.74	1,625.73
Monjolinho	213.70	97.24	300.96	20.66	632.56
<b>Subtotal</b>	<b>5,054.56</b>	<b>232.63</b>	<b>1,158.84</b>	<b>460.33</b>	<b>6,906.36</b>
Ideal	901.56	29.97	95.61	51.16	1,078.30
N. S. Penha	2,113.63	63.17	222.97	63.38	2,463.15
Turvo III (Lex)	711.09	48.08	159.81	43.01	961.99
Globo I (Suína)	2,095.12	112.22	473.78	163.94	2,845.06
Horto Brasília	1,375.01	71.24	344.27	64.67	1,855.19
Maria Cristina	108.71	4.19	18.78	12.90	144.58
Turvo I	567.38	35.70	54.24	50.22	707.54
Sítio Jamaica	154.36	14.41	54.37	11.81	234.95
Estrela	247.96	19.02	137.15	12.28	416.41
Espadilha	300.02	24.47	340.93	12.18	677.60
Querência	1,720.67	55.79	313.72	94.03	2,184.21
Caraguatá	65.27	4.72	29.90	1.75	101.64
Novo Estilo	552.00	66.48	166.95	36.45	821.88
Sítio Corte	20.50	2.10	22.27	0.99	45.86
Sítio Paccola	36.65	9.34	72.83	9.50	128.32
N. S. Aparecida	78.79	5.31	15.30	6.21	105.61
Coco Doce	1,108.11	77.97	464.64	97.02	1,747.74
<b>Subtotal</b>	<b>12,156.83</b>	<b>644.18</b>	<b>2,987.52</b>	<b>731.50</b>	<b>16,520.03</b>
Regina	420.86	35.37	234.99	45.74	736.96
Guarujá	3,669.61	238.49	604.09	152.07	4,664.26
Beira Rio	177.81	8.37	20.79	5.48	212.45
Ouro Branco	307.03	18.02	2.11	55.74	382.90
Santa Terezinha	388.56	31.19	70.56	16.65	506.96
Sto. Antônio das Corujas	390.98	49.94	91.43	63.99	596.34
Horto Cavalinho	104.89	4.92	41.13	4.40	155.34
Horto Fertiplan	246.89	9.93	6.98	11.58	275.38
Escaramuça	181.28	16.83	2.22	9.12	209.45
<b>Farm</b>	<b>Areas (ha)</b>				
	<b>Plantings</b>	<b>APP</b>	<b>RL</b>	<b>IS*</b>	<b>Total</b>
Daisy	243.28	66.19	125.95	23.70	459.12
Eldorado	108.54	34.30	100.07	19.07	261.98
Sítio Alvorada	53.23	7.75	10.51	5.94	77.43
Sítio Capuavinha	61.35	12.54	18.19	7.24	99.32

Sítio Céu	69.75	17.21	27.26	6.32	120.54
<b>Subtotal</b>	<b>6,424.06</b>	<b>551.05</b>	<b>1,356.28</b>	<b>427.04</b>	<b>8,758.43</b>
Taquari	109.34	66.86	307.01	21.06	504.27
Tucunduva (PR)	598.64	78.90	206.95	38.58	923.07
Ibiti	6,942.80	1,189.93	2,678.21	430.13	11,241.07
Santa Isabel	3,403.36	949.25	1,033.29	227.93	5,613.83
Várzea (PR)	793.28	213.44	596.95	106.43	1,710.10
Echaporã	493.02	78.39	140.54	67.56	779.51
São Rafael	408.76	157.12	290.98	34.95	891.81
<b>Subtotal</b>	<b>12,749.20</b>	<b>2,733.89</b>	<b>5,253.93</b>	<b>926.64</b>	<b>21,663.66</b>
Embaúba	543.41	97.29	316.95	32.05	989.70
Califórnia	145.22	21.20	250.82	12.69	429.93
Três Pinheiros	523.78	31.48	202.33	41.05	798.64
Santa Ângela	1,115.21	83.21	412.83	111.55	1,722.80
Descalvado	1,446.04	53.68	282.14	77.82	1,859.68
Carangola	392.44	34.81	112.92	20.33	560.50
<b>Subtotal</b>	<b>4,166.10</b>	<b>321.67</b>	<b>1,577.99</b>	<b>295.49</b>	<b>6,361.25</b>
<b>TOTAL</b>	<b>57,309.74</b>	<b>5,183.18</b>	<b>16,219.30</b>	<b>3,891.04</b>	<b>82,603.26</b>

\*IS = infrastructure; Database: Sep. 2<sup>nd</sup>, 2009.

### 1.4.3 Silvicultural system

The silvicultural system adopted at Conpacel is the homogeneous planting, mostly with selected genotype clones. Because there are important environmental variations even within the area of its operations that could restrict productivity of the genetic material in use, Conpacel makes use of specific, interspecific, and clonal variabilities in eucalypts.

The genetic material is assessed in regard to wood productivity, phytosanitary conditions, resistance to environmental and other adverses factor, stem quality, and pulp yield in each ecologic situation, by taking into consideration the selection sites and the places for commercial planting. For example, in the central and northern portions of the State of São Paulo, dry spells are common, while in the southern region, including parts of Paraná State, frosts are frequent. Likewise, variations in soil characteristics are substantial. Although most of the soil is deep, with low cation exchange capacity, there are, also, extensive areas with quartz sands, with low moisture and nutrient retention capacity. Also common are soils with high natural fertility where high productivity can be obtained. In the southern region, shallow soils with rock outcrops are common.

The main species used at Conpacel are *Eucalyptus grandis* and *E. urophylla*, as well as a large number of hybrid combinations among selected individuals from each of these species. These are propagated vegetatively through large scale rooted cutting operations. Other species

included in the program to widen the genetic base are *E. camaldulensis* and *E. saligna*. These are used to generate interspecific hybrids of high productivity in specific ecologic conditions.

Conpacel maintains a strong tree improvement program that continuously generates new superior genotypes for cloning after tests in different ecologic conditions. Thus, clonal variability is maintained in large scale planting programs and a safe and productive genetic base is annually renewed. In order to maximize gene expression in terms of wood productivity, research in areas other than genetic improvement is conducted in: a) forest nutrition with macro- and micro nutrients; and b) monitoring of pests and diseases to minimize their negative impacts on forest plantations.

#### **1.4.4 Management system**

The establishment of eucalypt stands involves stages of soil preparation, fertilizing, leaf-cutting ant control, weed control, planting, and irrigation. Plantings are done with the use of hydrated gel to save irrigation water and ensure better survival. Furthermore, minimum cultivation is adopted. It consists of leaving residues from harvesting operations on the soil. These are a mix of twigs, leaves, and tree tops that functions as a soil protection agent and contributes to the maintenance of fertility.

The amount of plantings and harvestings are determined by the level of consumption in the industry and the sustainable production capacity of the park. Thus, wood production and the demand for labor force are constant and result in social and environmental equilibrium. The planning of forest production is based on an area rotating system and harvestings are done only in stands at ages between six and seven years. The average productivity in farms operated by Conpacel is 39 m<sup>3</sup>/ha.year and the annual demand for raw-material by the industry has been in the order of 2,850,000 m<sup>3</sup> of wood.

Tree harvesting is done by two processes: semi-mechanized and fully mechanized. In the semi-mechanized process, tree felling and bucking are done with chainsaws and the debarking is done mechanically. The mechanized harvesting is done with harvesters. These perform tree felling, delimiting, and bucking on the same place. In both harvesting processes, wood is removed with specific equipment known as forwarder or self-loader. Conpacel is in a transition phase to fully mechanized harvesting in order to achieve higher efficiency and safety in wood production. In some municipalities, this transition is more advanced than in others as a function of availability of labor force. In all cases, this transition is preceded by studies to avoid or minimize possible negative social impact.

Forest operation planning is done by taking into consideration a 21 year horizon with harvesting at every seven-year period. All operational programs, including planting and harvesting, are performed after simulations and revisions to reach the best results in managing the forest base.

The road system necessary to transport wood production to the official highway system includes 6,800 km of own roads, opened and maintained by Conpacel and 1,200 km of municipal roads with which Conpacel collaborates to maintain. These actions result in adequate and safe transport that benefit not only Conpacel but all communities located in the neighborhood of the forest parks.

### 1.4.5 Monitoring system

Conpacel maintains a system to monitor determinant factors that affect productivity and sustainability of forest production. Among these are:

- a) Forest fires – Conpacel invests in forest fire prevention through:
  - institutional and educational campaigns such as the ALERTA VERDE, started in 1995 with the objective to prevent fires in forest parks and neighboring vegetation. Conpacel crews are prepared to control fires all year round and mainly in dry periods when fires tend to be more frequent.
  - personnel training (PAE – plan of attention to emergency) is extended to all employees, including those of contractor companies.
  - other means to prevent forest fires by warning through toll-free phone 0800-7711418 which is effective 24 hours a day.

Other investments are evidences of the company’s concern and commitment with preservation of forest assets. These include provision of equipments and tools for forest fire fighting, refitting of tanker trucks (one per park), installation and maintenance of fire towers, monitoring of fire hazard index, signaling and maintenance of watter filling spots, mapping of critical spots where fires outbreaks are more likely, and a communication system by radio with several repeat stations to reach the widest possible area. Historically, fire incidences have reduced over the years (Figure 2).

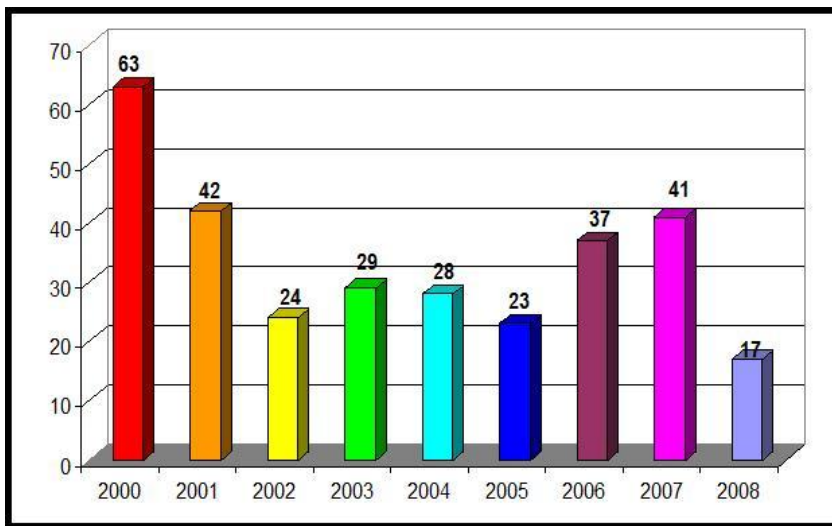


Figure 2. Occurrence of forest fires over the years at Conpacel FMU

- b) Wildlife and vegetation – actions on these items include:
  - spotting of wildlife, which has resulted in 22,000 cases in eucalypt stands;

- wildlife monitoring in high conservation value areas with photographic records along native forest corridors in contact with eucalypt stands;
- Projeto Vertebrados (Vertebrate Project) to study how the wildlife use native forests and eucalypt areas;

c) Environmental impacts of forest management – Conpacel established an environmental management system in which all impacts are recorded and processed with the software “Avaliação de Impactos Ambientais” (Assessment of Environmental Impacts). With this system, several impacts have already been recorded and monitored. In 2009, Conpacel reviewed and assessed these impacts and classified them into 65 groups, among which are:

- change in soil quality
- change in landscape
- change in environment - ecosystem
- change in environment - erosion
- nuisance and discomfort

Conpacel has a plan of mitigation for each of these impacts.

d) Plantation productivity – Conpacel assesses and monitors growth and productivity of forests through two inventory systems: the continuous inventory; and the pre-harvesting inventory.

The **continuous inventory** involves a sequence of annual assessments in order to follow the development of the forest during its life cycle and gather information on the actual situation, both qualitative and quantitative, of the forest stands. It is also possible to determine growth pattern of each genetic material in several regions and to classify sites according to their productivity and generate growth curves for prediction of forest production.

The **pre-harvesting inventory** is conducted just once, in forests about to be harvested, in support to short term actions such as annual harvesting program, for the planning of equipments and labor force needed to perform harvesting operations.

e) Hydrographic micro-watershed – Conpacel performs micro-watershed monitoring since 2007 in partnership with ESALQ-USP and IPEF (Instituto de Pesquisas e Estudos Florestais). The site selected for the study is the micro-watershed at Fazenda Três Pinheiros, in Anhembi Forest Park, located in the municipality of Anhembi, SP. The project consists of continuous monitoring of rainfall, water output, soil losses, soil nutrients, and quantity and quality of water to assess and minimize environmental impacts from eucalypt planted forest management.

Other monitorings include:

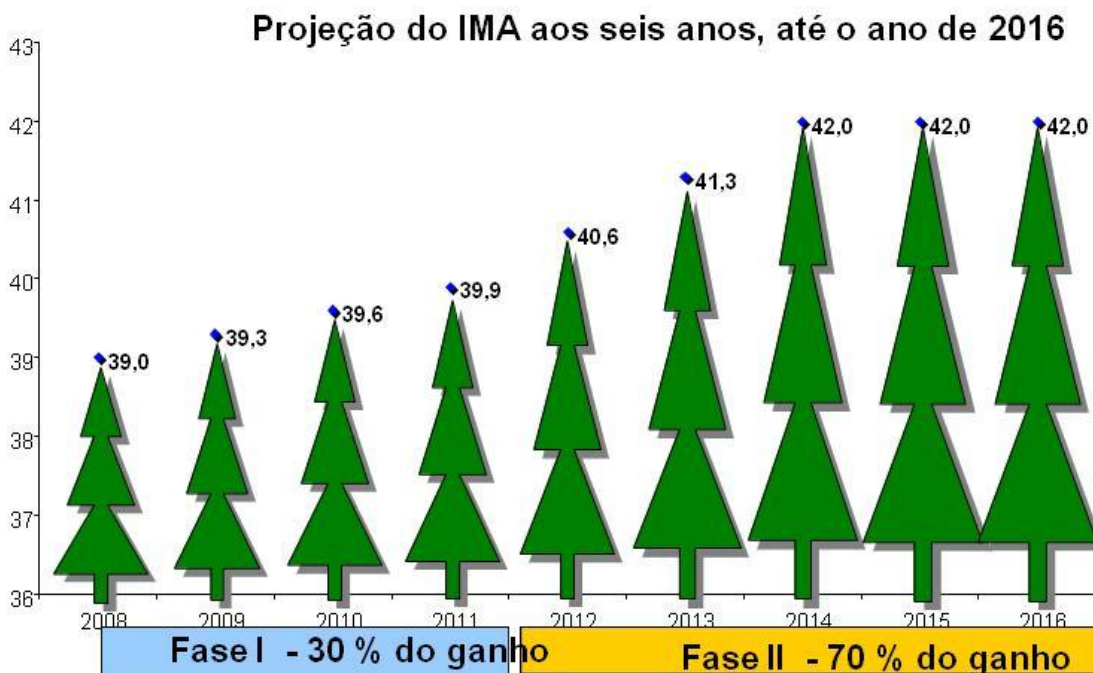
- Rational use of pesticides;
- Pests and disease outbreaks (nursery and plantations)
  - Leaf-cutting ants
  - *Costalimaita ferruginea* and some species of leaf-eating caterpillars
  - Invasive species;
- Labor accidents;
- Shifting labor force;

- Compliance with labor and tax laws by contractor companies;
- Environmental Education Project ( ecologic trail, visits)
- Reclamation of degraded areas
- Operational efficiency
- Quality of planting (mechanized, semi-mechanized, and manual)
- Product yield
- Social impact
- Soil fertility
- Plant nutrition status
- Erosion processes
- Surface and underground water
- Potability analysis
- Combustion gas emission
- Noise around residential areas
- Waste management
- Plan of attention to emergency
- Farm maintenance

#### **1.4.6 Estimates of maximum sustained production**

Through agreements with research institutions, universities, and specialists in tree improvement, forest nutrition, and management, Conpacel obtains the necessary support to succeed in producing high productivity forests on proportionately smaller areas. In pursuit of a combination of quality and productivity, Conpacel works in several research lines such as: tree improvement and development of trees better adapted to the climatic conditions in each region; plant nutrition and soil fertilization with micro- and macro-nutrients; and pest and disease outbreaks.

The maximum sustained production reached to date is around 39 m<sup>3</sup>/ha.year (Figure 3). That baseline should be elevated to 42 m<sup>3</sup>/ha.year in the near future as the result of investments in continuous development of new clones, formulation of fertilizing regimes adjusted to specific ecological conditions, and pest control.



**Figure 3. Projection of MAI at six years of age through the years.**

#### 1.4.7 Present and projected production estimates

The present wood production, as determined by the industry requirement, is in the order of 2,850,999 m<sup>3</sup>/year. With productivity projection to 42 m<sup>3</sup>/ha.year in the near future, the industrial demand will be met without increase in forest base.

The rate of planting and harvesting in the FMU are determined by both the industrial demand and the sustained production of the park. Thus, wood production and the generation of labor force are constant and result in environmental and social equilibrium.

The forest production planning is based on an area rotation system and harvesting is done only when the trees are mature, basically between the ages of six and seven years. At Conpacel, the planning of forest operations is done by considering a long term (21 years), medium term (7 years), and short term (annual harvesting and planting programs) horizons. The whole planting and harvesting operational program is done after simulations and revisions to get the best results in forest base management.

#### 1.4.8 Pesticide use

The pesticides used in forest management operations are:

- Ant poisons in the form of sulfluramide micro-baits and deltamethrin powder;
- Glyphosate herbicide;

- Termite poison (Fipronil).

The use of sulfluramide, deltamethrin, and fipronil are banned by FSC. However, Conpacel is continuing to use them under derogation request to FSC.

## **2 STANDARD USED IN THE ASSESSMENT PROCESS**

The standard used in the re-certification process for Conpacel was the SCS Interim Standard for Forest Plantations in Brazil, version 2, from November, 2008. This standard is, in most part, based on FSC Standard for Forest Plantations in Brazil (version 9.0) which was approved by FSC Brasil but with pending approval by FSC International. The standard can be found at SCS web page:

[http://www.scs-certified.com/forestry/forest\\_programmat\\_fm.html](http://www.scs-certified.com/forestry/forest_programmat_fm.html).

### **3.0 ASSESSMENT PROCESS**

#### **3.1 DATES OF ASSESSMENT**

- Public meeting: Mar. 30<sup>th</sup>, 2009, in Itararé /SP
- Field audit: Mar. 30<sup>th</sup> to Apr. 3<sup>rd</sup>, 2009

#### **3.2 ASSESSMENT TEAM**

##### **3.2.1 Auditing team**

**Dr. Vanilda Rosângela de Souza** is a forestry graduate from USP (University of São Paulo) with doctor degree from UFPR (Federal University of Paraná) in Wood Technology. She has over twenty year experience in the profession. She held the position of researcher, consultant, and service provider for private companies in Brazil. For the forest departments in companies, she has developed, established, and carried out forest quality control programs. She has also developed research to improve forest productivity and wood quality. She has worked in timber harvesting for more than seven years. In the environmental sector, she has carried out studies and developed programs to minimize environmental impacts caused by forest activities. She has developed management programs to deal with waste generated by forest operations. She has also developed requirements handle chemical products and introduced new products. She has coordinated natural forest fragment studies and projects on reclamation of degraded areas. In the social sector, she has developed human resources qualification programs (training and recycling), involving subjects such as productivity, quality, labor safety, and environment. She has developed projects, established, and carried out environmental education programs for the northern region in the State of Paraná. In the

industrial sector, she has developed and carried out programs to integrate Forest x Industry aiming to improve the final product cost and to reduce the production costs; she has also carried out studies and programs for a better use of raw material. She coordinates the SCS certification program in Brazil through Sysflor and has acted as auditor in several processes of preliminary evaluations, certification and recertification of forest management units, including both planted and natural forests, as well as chains of custody of a variety of wood products.

**Dr. Jarbas Yukio Shimizu** is a forestry graduate from the Universidade Federal de Viçosa with M.Sc. in Forest Sciences from the University of Florida (USA), Ph.D. in Forest Genetics from North Carolina State University (USA), and post-doctor in Population Genetics from Oregon State University (USA). Other trainings include Forest Gene Resources Conservation and Forest Tree Species Micro-propagation in Japan; Conservation and Use of Phylogenetic Resources in Spain and Environmental Management System Lead Auditor intensive course in Brazil. He has more than 30 years experience in activities such as development of forest research projects in cooperation with IBDF/PNUD-FAO, and subsequently as a researcher for Embrapa Florestas, where he worked in silvicultural area, tree improvement, forest genetics, and conservation of forest gene resources. He was also the leader of several conservation and genetic improvement projects and held the position of Technical Director of the National Forest Research Center. He has also worked as a consultant in silviculture and improvement of fast growing tree species for official forest research institutions and forest companies in Chile, Mexico, Mozambique, Uruguay and Brazil. He has offered intensive tree improvement courses at Universidad Nacional de Colombia and at Universidade Estadual do Centro-Oeste (UNICENTRO-Campus de Irati), PR. He has also acted as advisor and co-advisor to forestry graduate students at both master and doctor levels in Agronomy and Forestry at the Universidade Estadual de Maringá and Universidade Federal do Paraná. Since early 2008, he has worked as auditor in FSC forest management and chain of custody in Brazil for SCS and Sysflor.

**Dr. Rosemeri Segecin Moro** is a graduate and M.Sc. in Biological Sciences from UFPR and doctor in Biology from UNESP (Universidade Estadual de São Paulo) Rio Claro campus. She has been an Associate Professor at Universidade Estadual de Ponta Grossa (UEPG) since 1987 in General Biology Department. She has also been teaching a course in Land Management since 2005 (UEPG) covering subjects such as Landscape Ecology and Environmental Planning. She has also held the teaching position on Environmental Management since 1998. She has advised a number of undergraduate and graduate students. She has developed projects in environmental issues sponsored by Fundação Araucaria and has a research partnership, through FAUEPG, in Nature Conservation with ICMBio, COPEL, and others. She has taken part of several research teams to elaborate Management Plans for Preservation Units and municipal Master Plans. She has been a member of the Board of Directors of Parque Estadual de Vila Velha and of the State Advisory Committee on Riparian Forests in the State of Paraná.

**Dr. Carlos Hugo Rocha**, agronomy graduate and M.Sc. in Soil management and conservation from the Federal University of Paraná, Ph. D. in Human dimensions of natural resource, Warner College of Natural Resources, Colorado State University. As an assistant

professor of the Department of Soil Science and Agriculture Engineering, Universidade Estadual de Ponta Grossa (UEPG), he teaches courses in Renewable natural resources, Alternative agriculture and geoprocessing, Regional and environmental planning, and Environmental impact studies. He has been involved in research on Nature conservation, Protected area management, Human dimensions applied to natural resources management, Planning and integrated landscape management, Landscape ecology, Conservation biology, Strategies for collaborative management and nature conservation, and Family agroecologic and organic agriculture. He was a member of the administrative board of NUCLEAM/UEPG (Environmental studies nucleus of Ponta Grossa State University from 1991 to 1997. As the Municipal secretary of tourism and environment (SMTMA), he engaged in several projects, among which is the Establishment of municipal integrated system for urban environmental planning. With Acarpa/Emater-PR (Extension Service), he developed rural extension works for family agricultural properties in southern State of Paraná, with emphasis on management of natural resources, soil conservation, and integrated rural development. As a consultant, he has developed sócio-environmental projects for Campos Gerais region in the State of Paraná.

### **3.3 ASSESSMENT PROCESS**

The assessment process for the recertification of forest management of Conpacel was initiated with a public consultation held on Feb. 27<sup>th</sup>, 2009. FSC and a number of environmental, social, and economic institutions with local, regional, and national operations were notified by e-mail and regular mail.

The multidisciplinary team of auditors, specialized in forestry, environment, economics, and sociology performed the assessment in the period of Mar. 30<sup>th</sup> to Apr. 3<sup>rd</sup>, 2009, by verifying the documents and formal procedures in forest management. In field work, the auditors verified operational procedures in planting, application of herbicides and ant-poisons, fertilizing, weeding, wood harvesting, road conservation, forest workers shuttling, nursery operations, and native forest reclamation. At farm headquarters, pesticide storages were visited and documents on several programs were checked. These included forest assistance, prevention and control of forest fires, wildlife and vegetation monitoring, annual harvesting and planting plans, labor safety, and social and environmental impact monitoring.

On the last day of assessment, the auditors convened in order to analyze the gathered information and to confront them with the principles, criteria, and indicators of the SCS Interim Standards for Certification of Forest Plantations. Finally, corrective actions request (CAR) with deadlines for compliance and recommendations (REC) were issued. These were presented to the company officials and to the technical staff at the closing session.

#### **3.3.1 Itinerary**

Due to the great distances among farms of the FMU, each auditor, followed by Conpacel staff, went different directions to inspect specific aspects related to his/her expertise (Table 3).

**Table 3.** Itinerary followed by the auditors during assessment of forest management at Conpacel in 2009.

<b>Date</b>	<b>Farm (Municipality)</b>	<b>Activity</b>	<b>Auditors</b>
Mar. 30 <sup>th</sup> , 2009	Araraquara Office	Opening session and planning of the audit; analysis of documents (programs, maps, projects, controls, etc.)	Jarbas Rosemeri
	Santa Genoveva (São Simão)	Meeting with local staff and planning of local assessment; inspection of pesticide storage, field workers shuttling system, manual herbicide application, and environmental aspects.	Jarbas Rosemeri
	Morro do Forno (Altinópolis)	Inspection of records and documents, wood harvesting operations, forest workers shuttling, environmental aspects (conditions of APP, soil erosion, road maintenance, conditions of remnant forest fragments, etc.).	Jarbas Rosemeri
	Parque Ibiti office (Itararé)	Opening session and planning of audit activities in the southern region; checking of forest records, map base, inventory, forest planning, geoprocessing, labor medicine and safety management plan, training programs, environmental education, chemical and container storage and control, and land tenure documents.	Vanilda Hugo
	Public consultation in the municipality of Itararé	Contact with: - Rural workers union - Contractor companies - Secretary of Agriculture - Secretary of Environment; Public meeting	Vanilda Hugo
Mar. 31 <sup>st</sup> , 2009	Fazenda Ibiti	Checking of coppice control (with axe) and the general work conditions; inspection of log debarking operation and interview with workers; checking of manual harvesting operation and removal of exotic species from conservation areas.	Vanilda

<b>Date</b>	<b>Farm (Municipality)</b>	<b>Activity</b>	<b>Auditors</b>
	Araraquara office	Checkinng of documents; discussion on	Jarbas

Mar. 31 <sup>st</sup> , 2009	(Araraquara)	soil and road conservation; erosion control.	Rosemeri
	Fortaleza (Araraquara)	Inspection of workers shuttling; manual herbicide application; nursery operations; environmental education; erosion control and monitoring.	Jarbas Rosemeri
	Parque Guarujá office (Avaré)	Checking of areas included in the scope of certification and legal documents; workers training program; soil and watershed conservation program.	Vanilda Hugo
	Palmeiras	Inspection of forest residue reclamation and working conditions.	Vanilda
	Guarujá	Inspection of planting operation, road conditions, and removal of exotic species from conservation areas.	Vanilda
	Municipality of Avaré	Public consultation: - Rural workers union - DEPRN (State Department for the Protection of Natural Resources)	Hugo
Apr. 1 <sup>st</sup> , 2009	Parque Florestal Flecha Azul office (Boa Esperança do Sul)	Review of the scope of certification; analysis of legal documents, maps, programs, projects, etc.	Rosemeri
	Flecha Azul (Boa Esperança do Sul)	Inspection of workers shuttling, manual herbicide application, manual fertilizer application, and reclamation of conservation areas.  Visit to the forest indicated as HCVF; inspection of permanent preservation areas, recomposition of legal reserves, road conditions, wildlife and vegetation inventory and monitoring.	Jarbas Rosemeri
	Parque Florestal Anhembi office (Anhembi)	Checking of documents, farms included in the scope of certification, maps, projects, soil and watershed conservation programs, wildlife and vegetation monitoring program.	Vanilda Hugo

Date	Farm (Municipality)	Activity	Auditors
		General inspection for inclusion in the	

Apr. 1 <sup>st</sup> , 2009	Santa Isabel	scope of certification. Inspection of conservation areas (APP + RL); social and environmental impacts; road opening and maintenance procedures; development of eucalypt stands.	Vanilda
	Vertedouro	Inspection of micro-watershed program; native forest conservation; interview with neighbors.	Hugo
	Descalvado	Inspection of mechanized harvesting operations, workers documents, training (operations, labor safety, first-aid); forest establishment cost reduction program; program for better use of wood and reduction of residues in the field.	Vanilda
	Municipality of Anhembi	Public consultation: - contractor companies - rural workers union - forest workers	Hugo
Apr. 2 <sup>nd</sup> , 2009	Parque Saligna office (Itirapina)	Analysis of documents (programs, maps, projects, etc.)	Rosemeri Jarbas
	Sapoti	Inspection of planting operations, manual herbicide application, road conditions, and workers camp; interview with contractor workers; checking of first-aid kits and devices for removal of accident victims;	Jarbas
	Siriema, Sinimbu, and Monjolinho	Reclamation of APP and RL; conservation of forest roads; conditions of planted stands.	Rosemeri
	Ideal	Inspection of silviculture activities, training, working conditions, monitoring and control of erosion gullies.	Hugo
	Municipality of Lençóis Paulista	Public consultation: - contractor companies - rural workers union - contractor company book-keeping office - City Hall	Hugo

Date	Farm (Municipality)	Activity	Auditors
	Parque N. S. da Penha office	Inspection of integrated pest and disease management program	Vanilda

Apr. 2 <sup>nd</sup> , 2009	Horto Brasília	Inspection of manual harvesting operations; interview with workers; checking of road conditions, development of planted forests, and conditions of remnant native forests	Vanilda
	N. S. Penha	Inspection of chemical product storage and control (return) of empty containers.	Vanilda
Apr. 4 <sup>th</sup> , 2009	Hotel (Avaré)	Consolidation of field notes; checking of compliance with FSC Principles and Criteria; drafting of corrective actions request; closing session with Conpacel officials.	All

### 3.3.2 Assessment of the management system

#### Social aspects

The social aspects were assessed through the survey of primary and secondary data of several representative instances of the local and regional civil societies, as well as state public agencies in environmental and forestry areas. Special attention was devoted to labor conditions including safety, training, transport, meals, payments, taxes, and compliance with the law. To that effect, Conpacel employees, as well as contractor company employees, were interviewed. Also, local leaderships were interviewed and communities adjacent to the FMU were visited.

#### Environmental aspects

For the analysis of the environmental aspects, the map base provided by Conpacel was inspected and verified against the actual situation in the field. Aspects such as protection of natural forest remnants, wetland assessment, water filling spots, and delimitation, restoration, and protection of APP and RL were observed. Special attention was paid to the maintenance of internal road system and erosion control by verifying the procedures and the impacts on water streams and on the remnant of natural vegetation. The wildlife and vegetation monitoring program and environmental education actions were also visited.

#### Forest management aspects

For the analysis of forest operations, visits were extended to farms included in the MFU where activities were in progress in the municipalities of Altinópolis, Araraquara, São Simão, Itirapina, Boa Esperança do Sul, Itararé, Avaré, Lençóis Paulista, Anhembi, and Descalvado. Also, efforts to control exotic invasive species, the planning system, the forest production control, the records, the map base, and all related documents were evaluated. At Conpacel data base, records on harvesting operations, regeneration, reform, and maintenance of planted stands were inspected. Also the company's last fiscal year financial balance was analyzed to check for sustainability of the forest management.

### **3.3.3 Selection of farms for assessment**

The farms were selected for assessment on the basis of some factors such as: existence of operations in progress, distance, existence of some item of special importance for inspection such as pesticide storage, erosion control, HCVF sites, and others.

### **3.3.4 Sites visited**

The following farms within the Conpacel FMU were visited:

- a) Santa Genoveva, municipality of São Simão;
- b) Morro do Forno, municipality of Altinópolis;
- c) Fortaleza, municipality of Araraquara;
- d) Flecha Azul, municipality of Boa Esperança do Sul;
- e) Saligna, municipality of Itirapina;
- f) Ibiti, municipality of Itararé;
- g) Palmeiras;
- h) Guarujá, municipality of Avaré;
- i) Santa Isabel, municipality of Bofete;
- j) Descalvado, municipality of Descalvado;
- k) Sapoti, municipality of Itirapina;
- l) Siriema, municipality of Itirapina;
- m) Sinimbú, municipality of Itirapina;
- n) Monjolinho, municipality of Itirapina;
- o) Ideal, municipality of Pardinho;
- p) Horto Brasília, municipality of Anhembi;
- q) N. S. da Penha, municipalities of Borebi, Cabrália Paulista, Lençóis Paulista, and Avaí;

### **3.3.5 Consultation to local leaderships (Stakeholders)**

According to SCS procedures, consultations to the most relevant local leaderships are part of the basic components in forest management assessment process. The consultations were

carried out through correspondences (item 3.3.5.1) and application of a questionnaire to record the perceptions of the stakeholders in regard to Conpacel forest management operations (item 3.3.5.2) prior to the field work. During the audit, consultations were carried out at several locations, including a public meeting and interviews with representatives from several segments of the civil society and the populations adjacent to Conpacel areas. These included union leaders, representatives from public agencies, private organizations, local and political leaders, and residents in the neighbourhood of Conpacel properties and cities. The main purpose of the interviews was to: 1) collect information from the stakeholders about the strong and weak points regarding Conpacel forest management, as well as the nature of interactions between Conpacel and the residents in the neighborhood; and 2) verify whether the persons in charge of forest management consulted with the stakeholders to identify any high conservation value area.

The main stakeholders in this assessment were identified on the basis of a list presented by Conpacel, other sources, and the list from FSC-Brazil. The following groups were defined as the main stakeholders:

- Conpacel employees, including management and field personnel;
- Contractor company employees;
- Neighbour landowners;
- Residents in neighboring areas;
- Members of FSC-Brasil;
- Local and regional members of environmental and social NGOs;
- Federal, state, and municipal environmental agency officials (licensing, control);
- Rural workers union;
- Other relevant groups.

### 3.3.5.1 Model – Public Consultation at Conpacel

#### Model – Public Consultation at CONPACEL

#### PUBLIC MEETING

#### Forest Certification of Areas in São Paulo and Paraná CONPACEL – Consórcio Paulista de Papel e Celulose

A SCS – Scientific Certification Systems ([www.scs-certified.com](http://www.scs-certified.com)) – an entity accredited by FSC (Forest Stewardship Council) to award Forest Certification, invites you to the **Public Meeting** which marks the beginning of the re-certification process requested by Conpacel, for its own and leased areas in the States of São Paulo and Paraná. The farms are distributed over several municipalities: Altinópolis, São Simão, Ibaté, Descalvado, São Carlos, Boa Esperança do Sul, Bocaina, Corumbataí, Itirapina, Brotas, Piracicaba, Anhembi, Botucatu, Iaras, Borebi, Lençóis Paulista, Agudos, Itatinga, Avaré, Angatuba, Guareí, Ribeirão Branco, Itapeva, Itararé, and Capão Bonito, in the State of São Paulo, and Sengés and Jaguariaíva, in the State of Paraná. Conpacel carries out eucalypt plantation management in these locations, involving a total of 77,000 hectares to be certified, of which 60,000 hectares are effective plantations and 17,000 hectares of conservation areas.

**Conpacel – Consórcio Paulista de Papel e Celulose** (former Ripasa), certified in 2004 by FSC, operates since September, 2008, according to the consortium management model. Its assets belong, in equal parts, to Suzano Papel e Celulose, and Votorantim Celulose e Papel groups. Pulp and paper including print, coated and non-coated writing papers are produced. Conpacel manages an industrial unit in Limeira and eight forest parks. Specifically in the forest area, Conpacel has 75 employees and creates additional 1,603 jobs filled by contractor company employees.

Conpacel develops social actions focused mainly on education, culture, and environment for its collaborators and their families, as well as for the communities in adjacent areas. For the professional enhancement, Conpacel supports the formation of its collaborators with specialized courses in pulp and paper, in partnership with the University of São Paulo (USP). Through this program, 23 collaborators have already been prepared (graduated).

The FSC Certification considers the participation from the **public** and from the **civil society** in Public Meetings. In this process, the public meeting will take place in Itararé, on the 30<sup>th</sup> of March, 2009 (Monday), at the Municipal Theater, at Rua XV de Novembro, nr. 56, Center, between 18h30min. and 21h30min.

It is emphasized that the participation of the most diverse representatives of the civil society is fundamental because Forest Certification assumes the exercise of full citizenship involving individuals and institutions that are directly or indirectly interested in the subject. Likewise, the applicant must carry out its forest management in compliance with FSC Principles and Criteria, by promoting a management that is socially fair, environmentally adequate, and economically viable.

This meeting will be held before initiating the new assessment process (to take place between Mar. 30<sup>th</sup> and Apr. 4<sup>th</sup>, 2009), without the presence of Conpacel representatives. Its objective

is to collect suggestions and concerns to steer the auditing work in the field. This will assess the performance of forest management in the social, legal, environmental, and economic aspects. Thus, your participation is very important so that everybody can express their concerns, comments, suggestions, criticisms, and to present new evidences that could be useful to the process. These will be fully recorded in the presence of all participants.

If it is of your interest, you can find an attached Questionnaire to be filled and sent to [vanilda.souza@sysflor.com.br](mailto:vanilda.souza@sysflor.com.br) or, if you prefer, through fax to (0xx41) 3344-5061. In addition, if there is interest in obtaining more information about the Certification Standard used by SCS for Planted Forest Management in Brazil, the document can be accessed at SCS web site ([http://www.scs-certified.com/forestry/forest\\_programmat\\_fm.html](http://www.scs-certified.com/forestry/forest_programmat_fm.html)). You can download it for free (Word format).

Thus, everybody is invited to participate in the Public Meeting, regardless of having formally received this communiqué. We request your assistance in publicizing this event and the attached Questionnaire to institutions and persons of your knowledge that might have interest in participating in the process.

Sincerely,

Vanilda Rosangela de Souza  
Sysflor/SCS Auditor

### 3.3.5.2 Model – Questionnaire of Public Consultation at Conpacel

#### Model – Questionnaire of Public Consultation at Conpacel

#### PUBLIC CONSULTATION QUESTIONNAIRE

#### RECERTIFICATION OF CONPACEL (Consórcio Paulista de Papel e Celulose) PLANTED FORESTS (São Paulo and Paraná)

Name													
Institution													
Address													
ZIP:							-					<i>E-mail</i>	
<p>1. Do you know CONPACEL?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. Would you have any comment about CONPACEL?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. What would be these comments?</p>													
<p>4. Would you have any comment about CONPACEL areas, in São Paulo and Paraná regions?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>5. What would be these comments?</p>													
<p>6. Is there any aspect in the environmental area that you consider worth of attention in the field assessment?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What would be these environmental aspects?          6.1 _____          6.2 _____</p>													
<p>7. Is there any aspect in the social area that you consider worth of attention in the field assessment?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What would be these social aspects?          7.1 _____          7.2 _____</p>													
<p>The presente questionnaire has the objective to allow citizens from the most varied background, or representatives from civil society institutions to actively participate in FSC Forest Certification process. Thus, we request return of this questionnaire to <a href="mailto:sysflor@sysflor.com.br">sysflor@sysflor.com.br</a> . It can, also, be sent by fax to (0xx41) 3344-5061. Likewise, we appreciate if you could publicize this questionnaire to those who, in your judgement, could contribute to the process.</p>													
<p>OBS.: a) The issues raised in this questionnaire will not bear the identification of the authors.          b) The participation of stakeholders in the public consultation does not imply co-responsibility in the Certification Process.</p>													

### 3.3.5.3 Summary of public concerns and replies by the team

#### Socio-environmental issues

-The municipality of Itararé collects water from Três Barras river, which has springs within Conpacel areas, to supply the city. The amount of water produced has not been sufficient. Is Conpacel continuing to pay attention to that important watershed?

R: Conpacel has always adopted adequate conservation practices in regard to Três Barras river watershed in order to avoid any negative impact on it. Although the area had been conserved according to the company environmental policy and the environmental laws, Conpacel is classifying the area as HCVF with quantity and quality of water as the main attribute. In this context, a differentiated management for that area is being implemented, as well as a monitoring program to control quantity and quality of water from that watershed.

#### 3.3.6 Other assessment techniques

No other assessment technique was used.

### 3.4 TIME SPENT IN AUDITING

For the assessment of Conpacel forest management, the auditor team reviewed company documents, inspected activities on farms considered within the scope of certification in the FMU, and interviewed Conpacel employees as well as contractor company employees. Stakeholders were contacted and interviewed to gather evidences about compliance or not with FSC principles and criteria. All together, 226 hours were spent on on-site assessment. That corresponds to 26.2 days (Table 4).

**Table 4. Time (hours) dedicated by the auditors in the assessment of Conpacel forest management for certification.**

Events	Auditors			
	Vanilda	Hugo	Jarbas	Rosimeri
Public Consultation	12	25	-	8
Public meetings	3	3	-	-
Analysis of documents	10	8	8	10
Field inspection	35	12	32	30
Assessment meeting	6	6	6	6
Closing meeting	3	3	3	3
<b>Total</b>	69	53	49	55

### 3.5 PROCESS TO DETERMINE CONFORMANCES

The standards for certification defined by FSC consist of three levels: the Principles which involve the general aspects, the Criteria which detail each Principle, and the Indicators which detail each Criterion. According to the assessment protocols of SCS Forest Conservation Program, the assessment team, collectively, must decide whether a given forest operation is in conformance with any applicable indicator of the certification standard. Each non-conformance to a criterion or sub-criterion must be assessed to determine whether it constitutes a major or a minor non-conformance. Not all indicators have the same importance and there is no numerical form to determine whether an operation is in non-conformance. The team must use the collective judgement to assess each criterion and to define its conformance. When a forest operation is assessed as non-conformant in regard to a given criterion, at least one indicator must be assessed as in a major non-conformance.

Corrective actions requests (CAR) are defined for each non-conformance. Major non-conformances are known as Major CAR and the minor non-conformances as Minor CAR or just CAR.

#### **Interpretation of Major CAR (pre-conditions), CAR (Minor CAR), and Recommendations.**

**Major CARs/Pre-conditions:** correspond to major non-conformances, either alone or in combination with non-compliances of other requirements that results (or is likely to result) in a fundamental failure to achieve the objectives of the relevant FSC requirement. This non-conformance must be corrected or closed before the certification is issued. If a major CAR is determined after certification is awarded, the timeframe for correction is typically shorter than in the case of a minor CAR. The certification will become conditioned to the response from the forest operation to solve the pending issue in the given timeframe.

**CARs or Minor CARs:** these are corrective actions in response to minor non-conformances. They are typically limited in scale or can be characterized as unusual errors in the system. The minor corrective actions request must be complied with within a pre-determined timeframe after the certificate is granted.

**Recommendations:** these are suggestions presented by the evaluation team, intending to help the company to achieve an ideal performance. Compliance with the recommendation is voluntary and does not affect the maintenance of the certificate. However, recommendations can become conditions if non-compliance with them affects some criterion.

#### 4.0 RESULTS OF THE ASSESSMENT

##### 4.1 MAIN STRONG AND WEAK POINTS IN PERFORMANCE OF CONPACEL IN REGARD TO FSC P&C

Principles	Strong points	Weak points	Measures
P1: Compliance with laws and FSC Principles	<ul style="list-style-type: none"> <li>• Payment of fees and taxes pertaining to the activity.</li> <li>• Formal procedures established to protect management areas against illegal activities.</li> <li>• Respect to all agreements and international treaties ratified by the Brazilian National Congress.</li> <li>• Identification of high conservation value forest.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of essential information on the document stating the long term commitment to maintain representative samples of existing ecosystems.</li> </ul>	<b>Major CAR 2009-1</b>
P2: Tenure and use rights and responsibilities	<ul style="list-style-type: none"> <li>• Long term right to use forest resources (land titles and leasing contracts) duly documented.</li> <li>• There is no community with legal rights or customary tenure or use right conflicting with Conpacel forest management.</li> <li>• There is no dispute over land use right</li> <li>• Excellent system of georeferenced information.</li> </ul>		
P3: Indigenous peoples' rights	<ul style="list-style-type: none"> <li>• Not applicable. There is no indigenous or traditional population in the neighborhood or in the region where Conpacel manages its planted forests.</li> </ul>		
P4: Community relations and worker's rights	<ul style="list-style-type: none"> <li>• Workers are hired in the municipalities next to the management areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Not all workers receive meals and water in satisfactory quantity</li> </ul>	<b>CAR 2009-10</b>

	<ul style="list-style-type: none"> <li>• Access to health assistance and labor safety.</li> <li>• Satisfactory sanitation and environmental conditions at work areas.</li> <li>• Existence of communication equipments at work areas.</li> <li>• Training program for workers.</li> <li>• Transport of workers in safe conditions.</li> <li>• Significant benefits to the workers in comparison to regional labor hands.</li> <li>• Several social programs in course as a result of the socio-economic diagnostics in the region.</li> <li>• Strengthening of local economy with the use of local contractor companies and suppliers.</li> <li>• Agreements with the union in regard to labor hours and benefits to the workers.</li> <li>• Support to public institutions, especially on social and education issues.</li> <li>• Multiple mechanisms of dialogue with the society to solve complaints.</li> <li>• There is no minor involved in the work force.</li> </ul>	<p>and quality.</p> <ul style="list-style-type: none"> <li>• The emergency attention plan could contemplate other cases such as labor accident, health, etc.</li> <li>• Conpacel could integrate all actions involving both internal and external communities into a single plan.</li> </ul>	<p><b>REC 2009-1</b></p> <p><b>REC 2009-2</b></p>
<p>P5: Benefits from the forest (planted forests)</p>	<ul style="list-style-type: none"> <li>• The forest management is carried out in an objective and entrepreneurial manner to supply wood for short fiber pulp and paper.</li> <li>• The forest activity has economic viability and takes into account environmental, social, and operational costs and ensures investments to maintain ecologic productivity.</li> <li>• Increasing productivity that enables a</li> </ul>	<ul style="list-style-type: none"> <li>• In forest harvesting operations, followed by either coppice management or plantation reform, the sustainability of micro-watershed is not taken into consideration.</li> </ul>	<p><b>CAR 2009-9</b></p>

	<p>greater efficiency in supplying raw-material.</p> <ul style="list-style-type: none"> <li>• The management practice stimulates the optimization of the forest and minimizes waste associated with harvesting operations.</li> <li>• Promotes use of goods and services from local suppliers.</li> <li>• Conpacel uses essentially local labor hand (own workers and contractor company workers) and generates jobs and revenues in each region.</li> <li>• No fire is used in soil preparation.</li> <li>• Protection to representative samples of the existing ecosystems within the landscape in their natural state, and identified on maps.</li> <li>• Harvesting and silviculture equipments are adequate for the local conditions (topography, soil type), and economically viable.</li> <li>• Existence of formal operational norms to control erosion and to protect water resources, as well as to minimize damages during road construction and harvesting.</li> <li>• Existence of a program to reclaim permanent preservation areas.</li> <li>• Formal procedures to control hunting and fishing.</li> <li>• There is no conversion of forest areas into other non-forest uses of the land.</li> <li>• Existence of a continuous inventory program and the production estimates are equivalent to the data obtained at harvesting.</li> <li>• There is compatibility between the present levels of harvesting and the estimates of growth.</li> <li>• The harvesting of forest products</li> </ul>		
--	--	--	--

	<p>does not exceed the levels of sustainable production.</p> <ul style="list-style-type: none"> <li>• Adequate plan to prevent and to control fires.</li> <li>• The chemical products, containers, non-organic residues, both liquid and solid, including fuel and lubricant oils are discarded in an environmentally appropriate manner, in an adequate location.</li> <li>• No biological control agent is used.</li> <li>• No genetically modified organism is used.</li> </ul>		
<p>P6: Environmental impact</p>	<ul style="list-style-type: none"> <li>• The equipment used in forest activities are chosen by taking into consideration the potential environmental impacts.</li> <li>• There is an effort to update and convert the company map base by structuring a geoprocessing team and heavily investing in acquisition of aerophotogrametry material, as well as software for processing images in GIS environment.</li> <li>• The maps are in a continuous updating process.</li> <li>• There is the intention to integrate converted databases with other systems that require cartographic information.</li> <li>• There are samples of an animated digital model project of the terrain (virtual flight over Parque Fortaleza) to be established in all parks.</li> <li>• Soil, vegetation and wildlife surveys are being systematically carried out at several phytophysionomies in the area and these are well documented in reports. There is an internal program to record sighting of wildlife by workers.</li> </ul>	<p>The emergency procedures do not include situations in which workers and neighboring community safety and health are affected.</p> <p>An environmental plan integrating all developed actions is lacking.</p>	<p><b>REC 2009-1</b></p> <p><b>REC 2009-3</b></p>

	<ul style="list-style-type: none"> <li>• There are maps of habitat and natural areas, as well as a list of species that are endemic, rare, and/or threatened to extinction of most of the company area.</li> <li>• There are landscape studies for some areas showing biodiversity corridors.</li> <li>• There are agreements with nurseries to complement local biodiversity with enrichment of the local vegetation by using native species of diverse genetic origin.</li> <li>• There are evidences of actions to control hunting, fishing, and removal of material from the company areas.</li> <li>• There are environmental education programs (<i>Conhecer para Preservar</i>) for school communities in a continuous evaluation process.</li> <li>• There are large natural area fragments in several parks, in varying stages of integrity. In these locations, the persons in charge have reported sighting of several mammals that are characteristic of these ecosystems. They have also reported several wildlife tracks.</li> <li>• There are plans to readequate the APPs, in several stages, duly documented on maps, spreadsheets, and field reports.</li> <li>• The company participates in the micro-watershed environmental monitoring and micro-watershed network program (PROMAB/REMAN) in which an experimental micro-watershed is monitored with respect to amount of rainfall, stream output, water quality, and other aspects in order to evaluate the quality of management practiced in eucalypt forests.</li> </ul>		
--	---	--	--

	<ul style="list-style-type: none"> <li>• Conpacel adopts minimum cultivation in silviculture. It consists of leaving residues from tree harvesting on the soil for its protection and maintenance of fertility.</li> <li>• There is monitoring, control, and prevention of erosions, aiming at elimination of soil losses.</li> <li>• In areas reserved as HCVF, APP, and RL, there are representatives of several ecosystems of the Seasonal Rain Forest, Mixed Rain Forest, Steppe, and Cerrado in good conservation condition and/or under reclamation.</li> <li>• There is adequate protection to wetlands and riparian forests along natural streams and around reservoirs.</li> <li>• There is an efficient fire prevention and control plan.</li> <li>• There are specific forest management subplans for each farm in the FMU.</li> <li>• There are evidences of effectiveness of erosion control, road maintenance, control of gullies, and road network plans.</li> <li>• There is cooperation with municipal authorities for the conservation of roads crossing the company's properties.</li> <li>• A forest management plan was presented, aiming at protection of water resources during operations.</li> <li>• There are evidences of efficient monitoring and control of transport, storage and use of chemical products.</li> <li>• There are records of training for personnel engaged in handling chemical products.</li> </ul>		
--	--	--	--

	<ul style="list-style-type: none"> <li>• There is a program to monitor workers health and control of IPE (supply and discarding).</li> <li>• There is an adequate destination of residues and effluents as detailed in the Waste Management Plan.</li> <li>• There are plans to control exotic species in APPs. However, its implementation depends on approval by the state environment agency (DEPRN).</li> </ul>		
<p>P7: Management Plan</p>	<ul style="list-style-type: none"> <li>• There is a management plan that is appropriate for the scale and intensity of the proposed operations. It is being implemented and updated; the long term objectives and the means to accomplish them are clearly described.</li> <li>• There is a description of the forest resources to be managed and the management system, according to their characteristics.</li> <li>• There are evidences that the workers know about the management plan and follow systematic training and supervision programs.</li> <li>• The summary of the Management Plan is available on Conpacel web page for consultation.</li> <li>• There are procedures for periodic revision of the Management Plan, as well as the six previous versions.</li> <li>• There is a training program for workers, including for contractor company workers.</li> <li>• The company adopts planning, establishment, and maintenance of the road system, according to technical specifications.</li> <li>• There is a description and a justification for the techniques and</li> </ul>	<ul style="list-style-type: none"> <li>• The Management Plan does not include clear descriptions of: <ul style="list-style-type: none"> <li>a- long term commitment of adherence to FSC principles and criteria;</li> <li>b- the environmental limitations, the specifications of land use, and land tenure;</li> <li>c- justification for the annual harvesting rate based on inventory;</li> <li>d- maps indicating areas included in the scope of certification, and reformulation of the Public Summary including changes.</li> </ul> </li> <li>• The socio-economic profile of the involved municipalities is not known;</li> <li>• There is not a monitoring plan for social and environmental</li> </ul>	<p><b>Major CAR 2009-1; 2009-2; 2009-3</b></p> <p><b>CAR 2009-6; 2009-7</b></p>

	<p>equipments used in harvesting.</p> <ul style="list-style-type: none"> <li>• The harvested products are adequately controlled and stored.</li> <li>• There is a fire prevention and control plan with trained crews and defined responsibilities.</li> </ul>	<p>impacts;</p> <ul style="list-style-type: none"> <li>• There is not a plan to identify and protect species that are rare and threatened to extinction.</li> </ul>	
P8: Monitoring and assessment	<ul style="list-style-type: none"> <li>• There is a modern and advanced system to monitor watersheds.</li> <li>• Wildlife monitoring takes place systematically and vegetation monitoring will start soon.</li> <li>• Monitoring programs are duly documented.</li> <li>• All monitoring information are recorded in databanks and used for the revision of forest operations and the management plan.</li> <li>• There are cost and productivity control systems that are confidential.</li> <li>• The procedures adopted by the company allow monitoring and tracking of each forest product from its source to the output from the farm.</li> <li>• There is a relative publicity of the results from the efforts to monitor and control erosions and reclamation of gully areas.</li> </ul>	<ul style="list-style-type: none"> <li>• There is not an environmental monitoring plan reporting changes in vegetation and wildlife as affected by the forest management.</li> <li>• There is no evidence that results from vegetation and wildlife monitoring have been recorded in updating the Management Plan.</li> <li>• There is no indication in the Management Plan that results from wildlife and vegetation monitoring will be incorporated.</li> </ul>	<b>CAR 2009-8</b>

<p>P9: Maintenance of high conservation value forests</p>	<ul style="list-style-type: none"> <li>• There are sufficient studies demonstrating the existence of attributes for the definition of HCVF.</li> <li>• There has been partnership with the scientific community to undertake research on attributes to define HCVF.</li> <li>• The presence of wildlife in some native forest areas is monitored by using photograph traps.</li> <li>• There are studies on connectivity among natural fragments on the landscape.</li> <li>• There are programs for reclamation of APPs, including within HCVF.</li> <li>• There are studies for the biologic control of vines in HCVF.</li> </ul>	<ul style="list-style-type: none"> <li>• For the indication of HCVF, public consultation was not taken into consideration.</li> <li>• There are areas of relevant interest, expressed by the community, that were not considered as HCVF.</li> <li>• There is no monitoring program to evaluate the effectivity of HCVF management.</li> </ul>	<p><b>Major CAR 2009-4; 2009-5</b></p>
<p>P10: Plantations</p>	<ul style="list-style-type: none"> <li>• The objectives of forest plantations are clearly stated in the management plan, including the conservation of APPs and RL.</li> <li>• The company complies with the requirement to maintain legal reserves (RL) and is proceeding with adequacy of APPs where necessary.</li> <li>• In comparison to land use activities in adjacent areas, forest plantations promote protection to remnant natural areas and allow conservation of important wildlife habitats.</li> <li>• Protected natural ecosystems are identified on maps.</li> <li>• Conpacel areas are distributed over several municipalities in São Paulo and Paraná, and they generate job markets over extensive areas in both states.</li> <li>• The selection of species for plantation is based on their total adequacy (verified through clonal</li> </ul>	<ul style="list-style-type: none"> <li>• The sequence of harvesting, followed by coppice crop or planting does not take into consideration the watershed sustainability.</li> </ul>	<p><b>CAR 2009-9</b></p>

	<p>tests) to the regions where Conpacel operates, in conformance with the objectives as stated in the management plan.</p> <ul style="list-style-type: none"> <li>• In order to maintain soil integrity, modern and adequate techniques are used for site preparation (minimum cultivation) without fire, with adequate litter disposal and reduced soil compaction.</li> <li>• The erosion processes are controlled and monitored, thereby minimizing the impact on water resources.</li> <li>• Use of techniques compatible with local conditions (topography, soil type, climate, and others).</li> <li>• Justifications for the application and dosages of chemical products.</li> <li>• There are evidences of efforts to optimize the use of pesticides (ant and weed control monitoring programs) through training and control of pesticide use.</li> <li>• Conpacel has not cut down native forest to replace with eucalypt plantation since 1994.</li> </ul>		
--	---	--	--

#### 4.2 PRE-CONDITIONS OR MAJOR CAR

**Major CARs** correspond to major non-conformances, either alone or in combination with non-compliances with other requirements that results (or is likely to result) in a fundamental failure to achieve the objectives of the relevant FSC requirement. The Major CAR identified in the certification process is known as **Pre-condition** and must be complied with as a condition to certification. If it is identified in the assessment process of an already certified management, it is known as **Major CAR** and the timeframe for correction is typically shorter than in the case of a Minor CAR. The maintenance of certification will become conditioned to the response from the forest operation to solve the pending issue in the given timeframe.

<p><b>Non-conformance:</b> The management plan does not present information on: a) Conpacel long</p>
--

term commitment of adherence to FSC principles and criteria; b) environmental limitations of forest management operations; c) land use and tenure of its forest base; d) socio-economic conditions and profile of adjacent areas (geology, soil, climate, and other pertaining aspects); e) justifications to the annual harvesting rates based on inventory; f) description of the identification and protection plans for species that are rare or threatened to extinction; g) maps showing areas included in the scope of certification; h) essential elements in the summary of the management plan to be available to the public.	
<b>Major CAR 2009-1</b>	Reformulate the following items in the Management Plan: long term commitment of adherence to FSC principles and criteria; environmental limitations; land use and tenure; socio-economic conditions and profile of adjacent areas (geology, soil, climate, and other pertaining aspects); justification for annual harvesting rates based on inventory; inclusion of maps indicating areas in the scope of certification. Reformulate the Public Summary with inclusion of the mentioned changes.
<b>Deadline</b>	90 days
<b>Reference</b>	P1.c6.i1; P7.c1; P7.c4
<b>Company actions:</b> Conpacel presented a summary of the management plan with inclusion of its commitment of long term adherence to FSC principles and criteria, land use and tenure, socio-economic conditions and a profile of adjacent areas, justifications for annual harvesting rates based on inventory, description of the plan to identify and protect species that are rare or threatened to extinction, and, also areas in the scope of certification.	
<b>Position at the closing of this report:</b> CAR complied with and closed	

<b>Non-conformance:</b> Conpacel has no updated information on social and environmental impacts related to forest management.	
<b>Major CAR 2009-2</b>	Update the survey on social and environmental impacts related to forest management and indicate possible impact-causing activities.
<b>Deadline</b>	90 days
<b>Reference</b>	P7.c1.i1; P8.c2.i6
<b>Company actions:</b> Conpacel updated its survey on social and environmental impacts, classified them into groups, and identified those causing the greatest impact such as forest establishment, road construction, log transport and application of pesticides.	
<b>Position at the closing of this report:</b> CAR complied with and closed	

<b>Non-conformance:</b> Conpacel has no plan to evaluate social and environmental impacts from forest management or to mitigate negative impacts.	
<b>Major CAR 2009-3</b>	Conpacel must present a plan to evaluate social and environmental impacts from the forest management and to mitigate negative impacts.
<b>Deadline</b>	90 days

<b>Reference</b>	P4.c4; P4.c4.i1; P7.c1.i1; P8.c2.i6
<b>Company actions:</b> Conpacel presented a plan to evaluate social and environmental impacts that will be periodically revised. With the updated survey, especially for activities causing the most impact, Conpacel prepared and presented a plan to mitigate negative impacts.	
<b>Position at the closing of this report:</b> CAR complied with and closed	

<b>Non-conformance:</b> Conpacel has no formal document defining Três Barras watershed as an attribute for conservation in the HCVF at Fazenda Ibiti.	
<b>Major CAR 2009-4</b>	Present a document with a reassessment of areas defined as HCVF by including Tres Barras watershed as an attribute, as indicated by technical studies and by the community in the public meeting.
<b>Deadline</b>	90 days
<b>Reference</b>	P9.c2.i1
<b>Company actions:</b> A document was presented, containing a map of the area with identification of all springs, and a recognition of the importance of wetlands to be reclaimed/conserved.	
<b>Position at the closing of this report:</b> CAR complied with and closed	

<b>Non-conformance:</b> Conpacel has not yet drafted a management plan for the HCVF at Fazenda Ibiti.	
<b>Major CAR 2009-5</b>	In regard to the HCVF indicated at the public meeting, present a Management Plan, specifically for the surrounding areas, including measures to maintain or to increase the attribute “water”, and indicate monitoring parameters.
<b>Deadline</b>	90 days
<b>Reference</b>	P9.c3; P9.c4
<b>Company actions:</b> A management plan for adjacent areas was presented with forest operations such as harvesting in mosaic, connection of fragments by closing trails, and reforming the main roads. There will be monitoring points for water quality with indication of parameters to be assessed.	
<b>Position at the closing of this report:</b> CAR complied with and closed	

## 5.0 DECISION ABOUT CERTIFICATION

### 5.1 RECOMMENDATION FOR CERTIFICATION

As determined by the protocol of SCS Forest Conservation Program, the assessment team recommends Conpacel to be granted FSC re-certification and the respective certificate of “well managed forest”, subject to the compliance with corrective actions requests at item 5.2, for a

period of five years (2009 to 2013). Conpacel has demonstrated that its management system is capable of ensuring that all requirements of SCS Interim Standards for Certification of Forest Plantations in Brazil, version 2, November 2008, are complied with in forest areas under this assessment. Conpacel has demonstrated, also, that the described management system is being correctly conducted in all areas covered by this assessment.

## 5.2 INITIAL CORRECTIVE ACTIONS REQUESTS (CAR)

<b>Non-conformance:</b> Conpacel has not put into action the plan to evaluate and mitigate social and environmental impacts of forest management activities considered important.	
<b>CAR 2009-6</b>	Put into action the plan to evaluate and mitigate social and environmental impacts of forest management activities most likely to cause impact (establishment of new plantings, transport, harvesting).
<b>Deadline</b>	2010 annual audit
<b>Reference</b>	P7.c1.i1; P8.c2.i6

<b>Non-conformance:</b> Conpacel has no plan to identify and protect species that are rare or threatened to extinction.	
<b>CAR 2009-7</b>	Elaborate a plan to identify and protect species that are rare or threatened to extinction.
<b>Deadline</b>	2010 annual audit
<b>Reference</b>	P6.c2.i2; P7.c1.i9

<b>Non-conformance:</b> There is no plan to monitor changes in wildlife and vegetation due to forest management at Conpacel.	
<b>CAR 2009-8</b>	Elaborate a plan to monitor changes in wildlife and vegetation, containing: 1) selected bioindicators; 2) method to be used; and 3) execution timetable.
<b>Deadline</b>	2011 annual audit
<b>Reference</b>	P8.c2.i2, i4; P8.c4.i1

<b>Non-conformance:</b> Conpacel has no data on impacts of harvesting operations and plantation reforms on watershed sustainability, in spite of having developed and established a spillway project to monitor these impacts.	
<b>CAR 2009-9</b>	Present a study on harvesting and plantation reforms in which the issues of conservation and water production are considered, aiming at the sustainability of watersheds.
<b>Deadline</b>	2010 annual audit

<b>Reference</b>	P10.c2.i1, i3; P5.c5.i3; P6.c5.i1; P10.c6.i1
------------------	--

<b>Non-conformance:</b> Not all operational workers receive meals and water in adequate conditions.	
<b>CAR 2009-10</b>	Provide meals and water in adequate conditions to all operational workers.
<b>Deadline</b>	2010 annual audit
<b>Reference</b>	P4.c2B.i1

## RECOMMENDATIONS

<b>Background/ Justification</b>	Conpacel has a plan for emergency in different areas. However, most of these are not mentioned in the management plan.
<b>REC 2009-1</b>	Complete the item “emergency attention plan” in the Management Plan by including all pertaining areas: environmental, safety, health, and forest protection.
<b>Reference</b>	P6.c7.i3; P4.c2C.i1

<b>Background/ Justification</b>	There are several social actions developed by Conpacel. However, they are difficult to be visualized for an assessment of their sequence because they are not listed in an integrated manner in a general plan.
<b>REC 2009-2</b>	Elaborate a social management plan that contemplates, in an integrated fashion, the actions developed involving both the internal (own employees and those of contractor companies) and external communities.
<b>Reference</b>	P4.c4.i1

<b>Background/ Justification</b>	There is a survey of environmental impacts and several actions, studies, and projects aiming at mitigation of negative impacts. However, they are difficult to be visualized for an assessment of their sequence because they are not listed in an integrated manner, in a general plan.
<b>REC 2009-3</b>	Elaborate an environmental management plan that contemplates, in an integrated fashion, all actions developed.
<b>Reference</b>	P6.c1.i1

## 6.0 SURVEILLANCE AUDITS

According to FSC principles and criteria, a certified company must go through surveillance audits, at least once a year, in order to monitor the compliance with each corrective action request and to review the continuity of the company's conformance with SCS Interim Standards for Certification of Forest Plantation Management in Brazil, version 2, of November 2008. The public summary of the surveillance audits at Conpacel will be posted on SCS webpage ([www.scs-certified.com](http://www.scs-certified.com)).

## **7.0 SUMMARY OF SCS PROCEDURE IN REGARD TO INVESTIGATIONS OF COMPLAINTS**

In sequence, a summary of SCS procedure in regard to solutions of complaints is presented. The full procedures are available at SCS US upon request to any organization that perceives any problem in regard to SCS Forest Conservation Program and has reason to question SCS by its actions or in regard to SCS certificate holders.

SCS procedures to investigate complaints are the first instance and mechanism to reach a friendly solution by avoiding the need to involve FSC. Complaints can originate from our clients (for example: forest owners, companies, or suppliers) or from other stakeholders. In order to have a standard in this procedure, the complaints must be sent in writing, with attached supporting evidences, and submitted within 30 days from the moment the actions object of the complaint occurred.

The description of the complaint must contain:

- Identification and the indication of a contact person in relation to the presented complaint;
- Clear description of the action demanded (date, location, nature of the action) and the characterization of the parts or individuals associated with the action;
- Explanation of how the action is violating FSC requirements, in a most specific manner as possible, in regard to FSC requirements applicable to the case;
- A description of efforts done directly with the certificate holder to solve the issue, in the case of complaints against the actions of a certificate holder;
- Proposition of actions that should be taken, by considering the claimant's opinion.

The formal complaints must be submitted to:

Dr. Robert J. Hrubes  
Senior Vice-President  
Scientific Certification Systems  
2000 Powell Street, Suite 1350

Emeryville, California, USA94608

Email: [rhrubes@scscertified.com](mailto:rhrubes@scscertified.com)

As detailed in the *SCS Certification Manual*, the investigations on complaints will be carried out confidentially, in a reasonable period of time. If appropriate, corrective or preventive actions, as well as solution to any deficiency found in products or services must be taken and documented.