

# FOREST MANAGEMENT AND STUMP-TO-FOREST GATE CHAIN-OF-CUSTODY CERTIFICATION EVALUATION REPORT

**Adami S.A. Madeiras**

Caçador – SC

**SCS-FM/COC-005981**

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CERTIFIED	EXPIRATION
2 October 2017	1 October 2022

DATE OF FIELD AUDIT

July 24-28, 2017

DATE OF LAST UPDATE

2 October 2017

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## Foreword

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SCS Global Services (SCS) is a certification body accredited by the Forest Stewardship Council to conduct forest management and chain of custody evaluations. Under the FSC / SCS certification system, forest management enterprises (FMEs) meeting international standards of forest stewardship can be certified as “well managed,” thereby permitting the FME’s use of the FSC endorsement and logo in the marketplace subject to regular FSC / SCS oversight.

SCS deploys interdisciplinary teams of natural resource specialists and other experts in forested regions all over the world to conduct evaluations of forest management. SCS evaluation teams collect and analyze written materials, conduct interviews with FME staff and key stakeholders, and complete field and office audits of subject forest management units (FMUs) as part of certification evaluations. Upon completion of the fact-finding phase of all evaluations, SCS teams determine conformance to the FSC Principles and Criteria.

### Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the FSC Certificate Database (<http://info.fsc.org/>) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of by the FME.

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## SECTION A – PUBLIC SUMMARY

### 1. General Information

#### 1.1 Certificate Registration Information

##### 1.1.1.a Name and Contact Information

<b>Organization name</b>	Adami S.A. Madeiras		
<b>Contact person</b>	Sergio Luiz Bostelmann		
<b>Address</b>	Rua Nereu Ramos, 196 - Centro, Caçador - SC, CEP 89500-000	<b>Telephone</b>	+55 49-3561-3242
		<b>Fax</b>	
		<b>e-mail</b>	<a href="mailto:sergio.bostelmann@adami.com.br">sergio.bostelmann@adami.com.br</a>
		<b>Website</b>	<a href="http://www.adami.com.br">www.adami.com.br</a>

##### 1.1.1.b FSC Sales Information

<input checked="" type="checkbox"/> FSC Sales contact information same as above.			
<b>FSC salesperson</b>			
<b>Address</b>		<b>Telephone</b>	
		<b>Fax</b>	
		<b>e-mail</b>	
		<b>Website</b>	

##### 1.1.2 Scope of Certificate

<b>Certificate Type</b>	<input checked="" type="checkbox"/> Single FMU	<input type="checkbox"/> Multiple FMU
	<input type="checkbox"/> Group	
<b>SLIMF (if applicable)</b>	<input type="checkbox"/> Small SLIMF certificate	<input type="checkbox"/> Low intensity SLIMF certificate
	<input type="checkbox"/> Group SLIMF certificate	
<b># Group Members (if applicable)</b>	N/A	
<b>Number of FMUs in scope of certificate</b>	1	
<b>Geographic location of non-SLIMF FMU(s)</b>	Latitude & Longitude:	
<b>Forest zone</b>	<input type="checkbox"/> Boreal	<input type="checkbox"/> Temperate
	<input checked="" type="checkbox"/> Subtropical	<input type="checkbox"/> Tropical
<b>Total forest area in scope of certificate which is:</b> Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac		
privately managed	45,723.65	
state managed	NA	
community managed	NA	
<b>Number of FMUs in scope that are:</b>		

less than 100 ha in area	0	100 - 1000 ha in area	0
1000 - 10 000 ha in area	0	more than 10 000 ha in area	1
<b>Total forest area in scope of certificate which is included in FMUs that:</b>			Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac
are less than 100 ha in area	-		
are between 100 ha and 1 000 ha in area	-		
are between 1 000 ha and 10 000 ha in area	-		
are more than 10 000 ha in area	45,723.65		
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	NA		
<b>Division of FMUs into manageable units:</b>			
The FMU is divided into farms. The farms, in turn, are divided into stands which are the smallest manageable units.			

**Table 1.1.3: List of farms which are under the certification scope**

FME Own Areas					
Farm Name	City-State	Planted Area (ha)	Preservation Area (ha)	Infrastructure (ha)	Total Area (ha)
Fazenda Amparo	Passos Maia (Santa Catarina)	1,051.58	1,185.42	84.06	2,321.06
Fazenda Bela Vista	Caçador (Santa Catarina)	309.69	387.08	20.59	717.36
Fazenda Cachoeira	Caçador (Santa Catarina)	1,591.30	1,582.53	87.33	3,261.16
Fazenda Capão Alto	Calmon (Santa Catarina)	432.41	487.88	25.35	945.64
Fazenda do Salto (ant. ARR-03)	Lebon Régis SC	81.81	50.22	9.06	141.09
Fazenda Faxinal do São Pedro	Lebon Régis (Santa Catarina)	88.47	28.77	7.75	124.99
Fazenda Jangada	Matos Costa (Santa Catarina)	1,445.03	1,130.01	67.99	2,643.03
Fazenda Mirim Doce I e III	Calmon (Santa Catarina)	446.58	516.40	15.31	978.29
Fazenda Mirim Doce II	Calmon (Santa Catarina)	57.94	113.19	4.89	176.02
Fazenda Recreio 4	Passos Maia (Santa Catarina)	105.20	268.26	11.41	384.87

Fazenda Recreio 5	Passos Maia (Santa Catarina)	169.28	204.31	8.36	381.95
Fazenda Rincão da Roça	Passos Maia (Santa Catarina)	388.72	403.62	23.94	816.28
Fazenda Santo Antonio da Platina	Palmas (Santa Catarina)	585.47	359.89	34.76	98012
Fazenda Santo Antonio do Salto I e II	Água Doce – SC	224.20	548.24	18.49	790.93
Fazenda Santo Expedito	Água Doce (Santa Catarina)	311.09	195.84	20.37	527.30
Fazenda São Carlos	Caçador – SC	187.61	308.58	13.92	510.11
Fazenda SFC	Ponte Serrada (Santa Catarina)	3.323.37	4,106.63	227.88	7,657.88
Fazenda São Pedro	Calmon (Santa Catarina)	469.72	391.29	34.68	895.69
Fazenda Serraria Grande	Caçador (Santa Catarina)	204.50	377.36	19.75	601.61
Fazenda São Roque	Calmon (Santa Catarina)	295.14	201.61	7.61	504.36
Fazenda Tigre	Caçador (Santa Catarina)	37.14	25.21	2.76	65.11
<b>Subtotal</b>		<b>11,806,25</b>	<b>12,872.34</b>	<b>746,26</b>	<b>25,424.85</b>
Leasing					
<b>Farm Name</b>	<b>City-State</b>	<b>Planted Area (ha)</b>	<b>Preservation Area (ha)</b>	<b>Infrastructure (ha)</b>	<b>Total Area (ha)</b>
Arrend. 01	Caçador (Santa Catarina)	36.70	39.91	79.62	79.62
Arrend. 02	Caçador (Santa Catarina)	104.22	72.36	191.01	191.01
Arrend. 04	Lebon Régis (Santa Catarina)	69.98	42.02	118.07	118.07
Arrend. 05	Palmas	217.09	120.91	356.58	356.58

	(Paraná)				
Arrend. 06	Lebon Régis (Santa Catarina)	38.04	13.19	55.44	55.44
Arrend. 08	Lebon Régis (Santa Catarina)	21.96	19.80	45.93	45.93
Arrend. 09/34	Calmon (Santa Catarina)	197.50	111.59	325.01	325.01
Arrend. 10	Lebon Régis (Santa Catarina)	7.96	2.434	11.81	11.81
Arrend. 11	Caçador (Santa Catarina)	78.43	46.14	132.98	132.98
Arrend. 12	Calmon (Santa Catarina)	39.01	51.946	98.41	98.41
Arrend. 13	Caçador (Santa Catarina)	9.08	4.918	14.85	14.85
Arrend. 14/28	União da Vitória (Paraná)	370.69	581.1	978.47	978.47
Arrend. 15/29 -	Calmon (Santa Catarina)	204.04	135.37	360.25	360.25
Arrend. 16	Lebon Régis (Santa Catarina)	5.02	3.76	9.98	9.98
Arrend. 17/18/19/26/45/46/4 8/49/50/51	Água Doce (Santa Catarina)	766.38	660.188	1,473.71	1,473.71
Arrend. 20	Água Doce (Santa Catarina)	1,195.54	1,018.51	2,281.64	2,281.64
Arrend. 21	Água Doce (Santa Catarina)	217.18	122.402	345.78	345.78
Arrend. 22	Calmon (Santa Catarina)	81.95	64.73	154.17	154.17
Arrend. 23 -	Água Doce (Santa Catarina)	234.36	164.136	410.01	410.01
Arrend. 24 -	Água Doce	463.95	304.48	791.27	791.27

	(Santa Catarina)				
Arrend. 25	Calmon (Santa Catarina)	119.32	79.438	206.26	206.26
Arrend. 30	Calmon (Santa Catarina)	111.46	59.12	173.42	173.42
Arrend. 31	Lebon Régis (Santa Catarina)	42.58	45.54	92.42	92.42
Arrend. 32	Lebon Régis (Santa Catarina)	43.75	28.648	73.85	73.85
Arrend. 33/35	Caçador (Santa Catarina)	273.23	125.728	405.47	405.47
Arrend. 36	Lebon Régis (Santa Catarina)	16.72	7.78	24.50	24.50
Arrend. 37	Lebon Régis (Santa Catarina)	50.62	67.48	120.18	120.18
Arrend. 38	Caçador (Santa Catarina)	35.54	35.554	76.64	76.64
Arrend. 39	Calmon (Santa Catarina)	44.44	51.876	97.93	97.93
Arrend. 40	Calmon (Santa Catarina)	30.8	41.23	72.47	72.47
Arrend. 41	Calmon (Santa Catarina)	73.61	37.64	112.43	112.43
Arrend. 42	Passos Maia (Santa Catarina)	42.14	55.04	98.00	98.00
Arrend. 43	Calmon (Santa Catarina)	40.80	38.50	80.73	80.73
Arrend. 44	Palmas (Santa Catarina)	97.78	72.402	171.35	171.35
Arrend. 47	Calmon (Santa Catarina)	25.93	15.334	42.37	42.37



Arrend. 52	Água Doce (Santa Catarina)	67.50	93.91	162.41	162.41
Arrend. 53	Água Doce (Santa Catarina)	56.3	94.52	155.89	155.89
Arrend. 54	Água Doce (Santa Catarina)	20.94	93.89	118.49	118.49
Arrend. 55	Caçador (Santa Catarina)	25.12	36.768	64.67	64.67
Arrend. 56	Caçador (Santa Catarina)	21.08	71	93.42	93.42
Arrend. 57	Caçador (Santa Catarina)	39.55	48.116	89.06	89.06
Arrend. 58	Água Doce (Santa Catarina)	234.28	82.06	322.26	322.26
Arrend.	Caçador (Santa Catarina)	18.31	12.014	32.31	32.31
Arrend. 60/62 -	Caçador (Santa Catarina)	32.91	19.61	54.94	54.94
Arrend. 61	Água Doce (Santa Catarina)	253.84	263.72	525.68	525.68
Arrend. 63	Calmon (Santa Catarina)	23.26	42.97	66.41	66.41
Arrend. 64	Lebon Régis (Santa Catarina)	97.59	47.05	147.82	147.82
<b>Subtotal</b>		<b>6,298.48</b>	<b>5,246.82</b>	<b>371.05</b>	<b>11,916.35</b>
<b>Overall Total</b>		<b>18,104.73</b>	<b>18,119.16</b>	<b>1,117.31</b>	<b>37,341.20</b>

## 1.2 FSC Data Request

### 1.2.1 Production Forests

<b>Timber Forest Products</b>	Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac
Total area of production forest (i.e. forest from which timber may be harvested)	18,104.73
Area of production forest classified as 'plantation'	18,104.73

Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems	NA
Area of production forest regenerated primarily by natural regeneration, or by a combination of natural regeneration and coppicing of the naturally regenerated stems	NA
<b>Silvicultural system(s)</b>	<b>Area under type of management</b>
Even-aged management	18,104.73
Clearcut (clearcut size range )	-
Shelterwood	-
Other:	-
Uneven-aged management	-
Individual tree selection	-
Group selection	-
Other:	-
<input type="checkbox"/> Other (e.g. nursery, recreation area, windbreak, bamboo, silvo-pastoral system, agro-forestry system, etc.)	-
The sustainable rate of harvest (usually Annual Allowable Harvest or AAH where available) of commercial timber (m3 of round wood)	542,000.00 ton/year
<b>Non-timber Forest Products (NTFPs)</b>	
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	-
Other areas managed for NTFPs or services	-
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	-
<b>Explanation of the assumptions and reference to the data source upon which AAH and NTFP harvest rates estimates are based:</b>	
Harvesting assumptions are based on the following: 1. Forest growth results which are obtained via the continuous forest inventory; and 2. Adami Group industrial facilities' demands.	
<b>Species in scope of joint FM/COC certificate: (Scientific / Latin Name and Common / Trade Name)</b>	
<i>Pinus taeda.</i>	

### 1.2.2 FSC Product Classification

Timber products		
Product Level 1	Product Level 2	Species
W1 Rough wood	W1.1 Round wood (logs)	<i>Pinus taeda.</i>
W1 Rough wood	W1.2 Fuel wood	<i>Pinus taeda.</i>

### 1.2.3 Conservation Areas

<b>Total area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives</b>		18,119.16 ha		
<b>High Conservation Value Forest / Areas</b>				
<b>High Conservation Values present and respective areas:</b>				Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac
	Code	HCV Type	Description & Location	Area
<input checked="" type="checkbox"/>	HCV1	Forests or areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).	There are some rare, threatened and vulnerable fauna species in some areas where there are more developed native remnants, such as the farm <b>São Francisco do Chapecózinho</b> .	1,722.98
<input checked="" type="checkbox"/>	HCV2	Forests or areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.	Some considerable large areas, where it was observed a distribution and abundance pattern for naturally occurring species, have been identified. The areas are the following: farms Amparo, Rincão da Roça, Recreio 4 & 5 and Santo Antônio do Salto	1,690.59
<input type="checkbox"/>	HCV3	Forests or areas that are in or contain rare, threatened or endangered ecosystems.		
<input type="checkbox"/>	HCV4	Forests or areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).		
<input type="checkbox"/>	HCV5	Forests or areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		
<input type="checkbox"/>	HCV6	Forests or areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).		
<b>Total Area of forest classified as 'High Conservation Value Forest / Area'</b>				<b>3,413.56</b>

### 1.3 Areas Outside of the Scope of Certification (Partial Certification and Excision)

<input type="checkbox"/> N/A – All forestland owned or managed by the applicant is included in the scope.	
<input checked="" type="checkbox"/> Applicant owns and/or manages other FMUs not under evaluation.	
<input type="checkbox"/> Applicant wishes to excise portions of the FMU(s) under evaluation from the scope of certification.	
<b>Explanation for exclusion of FMUs and/or excision:</b>	Adami S.A. has a leased area (registration 5,836) which lies in Palmas (Paraná) and whose pine plantation effective area

	<p>corresponds to 470.03 hectares.</p> <p>This is the only FME area which is not under the certification scope because it is 137 km farm from Caçador. Therefore, transporting this timber to the group industrial facility becomes economically unfeasible. Therefore, the enterprise has opted not to include it under the certification scope.</p>	
<b>Control measures to prevent mixing of certified and non-certified product (C8.3):</b>	<p>Only one area is not under the certification scope. Such an area is 137 km farm from Caçador (Santa Catarina) where all the FMU certified timber is assigned. The timber coming from this area which is not under the certification scope is traded locally as uncertified. Therefore, there is no risk of comingling certified and uncertified timber. Additionally, the FME forestry database identifies that this area in uncertified.</p> <p>Moreover, there is a CoC controlling guidebook which describes all the procedures that are to be adopted to identify and track down FSC products from the harvesting site up to the legal possession transference.</p>	
<b>Description of FMUs excluded from or forested area excised from the scope of certification:</b>		
<b>Name of FMU or Stand</b>	<b>Location (city, state, country)</b>	<b>Size (<input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac)</b>
Estância da Cruz	Palmas – Paraná – Brasil	470.03 (effective plantation)

#### 1.4 Social Information

<b>Number of forest workers (including contractors) working in forest within scope of certificate (differentiated by gender):</b>	
267 male workers	8 female workers
<b>Occupational Accidents Frequency Rate (latest 12 months)</b>	12.96
<b>Occupational Accidents Severity Rate (latest 12 months)</b>	544.35

#### 1.5 Pesticide and Other Chemical Use

<input type="checkbox"/> FME does not use pesticides.				
<b>Commercial name of pesticide / herbicide</b>	<b>Active ingredient</b>	<b>Quantity applied annually (kg or lbs)</b>	<b>Size of area treated annually (ha or ac)</b>	<b>Reason for use</b>
Blitz	Fipronil	59.54	480	Combat to Ants

#### 1.6 Standards Used

##### 1.6.1 Applicable FSC-Accredited Standards

<b>Title</b>	<b>Version</b>	<b>Date of Finalization</b>
Harmonized Certification Bodies' Forest Stewardship Plantation Standard for the Federative Republic of Brazil (FSC-STD-BRA-01-2014).	V 1 - 1	July 28, 2014

FSC-STD-50-001: Requirements for use of the FSC trademarks by Certificate Holders.	V 1-2	December 1, 2010
All standards employed are available on the websites of FSC International ( <a href="http://www.fsc.org">www.fsc.org</a> ), the FSC-US ( <a href="http://www.fscus.org">www.fscus.org</a> ) or the SCS Standards page ( <a href="http://www.scsglobalservices.com/certification-standards-and-program-documents">www.scsglobalservices.com/certification-standards-and-program-documents</a> ). Standards are also available, upon request, from SCS Global Services ( <a href="http://www.SCSglobalServices.com">www.SCSglobalServices.com</a> ).		

### 1.6.2 SCS Interim FSC Standards

Title	Version	Date of Finalization
FSC Chain-of-Custody Indicators for Forest Management Enterprises	V6-0	December 6, 2016
This SCS Interim Standard was developed by modifying SCS' Generic Interim Standard to reflect forest management in the region and by incorporating relevant components of the Draft Regional / National Standard and comments from stakeholders. More than one month prior to the start of the field evaluation, the SCS Draft Interim Standard for the country / region was sent out for comment to stakeholders identified by FSC International, SCS, the forest managers under evaluation, and the National Initiative. A copy of the standard is available at <a href="http://www.scsglobalservices.com/certification-standards-and-program-documents">www.scsglobalservices.com/certification-standards-and-program-documents</a> or upon request from SCS Global Services ( <a href="http://www.SCSglobalServices.com">www.SCSglobalServices.com</a> ).		

### 1.7 Conversion Table English Units to Metric Units

Length Conversion Factors		
To convert from	To	multiply by
Mile (US Statute)	Kilometer (km)	1.609347
Foot (ft)	Meter (m)	0.3048
Yard (yd)	Meter (m)	0.9144
Area Conversion Factors		
To convert from	To	multiply by
Square foot (sq ft)	Square meter (m <sup>2</sup> )	0.09290304
Acre (ac)	Hectare (ha)	0.4047
Volume Conversion Factors		
To convert from	To	multiply by
Cubic foot (cu ft)	Cubic meter (m <sup>3</sup> )	0.02831685
Gallon (gal)	Liter (l)	4.546
Quick reference		
1 acre	= 0.404686 ha	
1,000 acres	= 404.686 ha	
1 board foot	= 0.00348 cubic meters	
1,000 board feet	= 3.48 cubic meters	
1 cubic foot	= 0.028317 cubic meters	

## 2. Description of Forest Management

### 2.1 Management Context

#### 2.1.1 Regulatory Context

<p>- Pertinent Regulations at the National Level                  - Pertinent Regulations at the State / Local Level                  - Regulatory Context Description</p>	<p>The relevant national legislation to forest management was evaluated considering the Brazilian Forest Code (Law #12.651/2012) and other environmental legislation (i.e. Law #5.197/67, Law #6.938/81, Law #7.802/89, Law #9.605/98, Law #9.985/2000, Law #12.305/10, etc.), operational i.e. Law # 5.868/72, Law #4.947/66, Law # 6.496/77, Law #6.739/79, Law #10.711/03, etc.), tributary (Law #9.393/96, RBF Normative Instruction #971/09), labor and occupational health and safety legislations (i.e. Law #5.889/73, Decree-Law #5.452/43, Regulating Rules, etc.). The framework consulted and evaluated during the audit consists of federal, state and municipal laws, as well as Decrees, Ordinances, Resolutions, Normative Instructions, Regulatory Norms and other legal instruments of the country. International agreements and treaties on which Brazil is a signatory, such as ILO, CITES, CBD, among others, are also evaluated.</p>
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#### 2.1.2 Environmental Context

<p><b>Environmental safeguards:</b></p> <p>Both measures and programs are implemented to protect fauna, flora, water resources, soil and air. The measures and programs, in turn, are meant to safeguard the natural resources that occur in the FMU. There is a patrimony surveillance system in place which is comprised by expert vigilance personnel who patrol the FMU on a regular basis. Signs that inform and alert that illegal activities are not allowed are placed in strategic places and at the farms entrances. Additionally, most areas are properly fenced. The enterprise has a partnership with Santa Catarina environmental police to control poaching, fishing and collect of materials.</p> <p>There is a program in place to prevent and control forest fire. Such a program is comprised by the following: (a) equipments (tank trucks, machines, mufflers, radio communication, etc.) and (b) a highly trained staff to tackle eventual forest fire. Both firebreaks and roads are repaired constantly to prevent fire from propagating to the preservation areas. Fire is not allowed to be used in the silviculture-related activities and it is a key measure to prevent forest fire. There is an awareness program in place and the neighbors are alerted about indiscriminate use of fire and its consequences.</p> <p>The permanent preservation areas are interspersed with commercial plantation areas forming a mosaic that is meant to even act as a natural protection against pests. The fragments are connected via external ecological corridors which are meant to favor the biodiversity gen flow. The permanent preservation areas and/or legal reserves are duly demarked before the plantation of the commercial areas. Such a measure is meant to assure that the vegetation strips are respected as per the current forestry</p>
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legislation.

Adequate techniques are implemented for the construction & maintenance of roads and proper structures, such as bulging of roads and contention boxes, are employed. Such measures are meant to prevent erosive processes and protect the soil and water resources.

All the operational activities are planned in a way that the impacts over the native ecosystems and water resources are small as possible. There is a specific procedure in place for every activity which sets the all the precautions that are to be taken.

There are procedures in place to manage residues, namely domestic garbage, cans of oil, fuel residues, fuel and pesticides containers, etc. that are generated both on the farms in the forestry villages. To make management of residues possible via selective collect, different color-pattern cans are available on the farms to sort organic (food leftovers and others) and inorganic garbage (plastic, glass and cardboard). The other organic and inorganic residues (non-toxic) that are produced on the farms are collected on a weekly basis either on the FMU pickup trucks dumpcarts and/or collected by accredited enterprises to which the residues are traded.

**Management strategy for the identification and protection of rare, threatened and endangered (RTE) species and their habitats:**

Surveys, including fauna and flora surveys and characterization, are undertaken in the FMU. These surveys enable the FME to confirm whether or not there are endemic, rare, threatened and endangered species. Some rare, threatened and vulnerable fauna and flora species have been identified in some farms where the native remnants are more developed, such as:

- *Araucaria - Araucaria angustifolia* (Bertol.) Kuntze
- *Imbuia - Ocotea porosa* (Nees & Mart.) Barroso
- *Amazona vinacea*;
- *Puma concolor*;
- *Leopardus pardalis*;
- *Lontra longicaudis*;
- *Agouti paca*.

Both activities and measures are implemented to protect and preserve these species and their habitats.

The following are amongst the main activities and protective and preservation measures:

- a) FMU surveillance system;
- b) Fragments connectivity forming key ecological corridors;
- c) Specific operational procedures to prevent environmental impacts; and
- d) Measures to attenuate the negative impacts that had been identified in the forestry operations.

**2.1.3 Socioeconomic Context**

The enterprise was established in 1942 and its objective consisted in the production of planed wooden boxes and rough timber. The first mechanical pulp plant was started up in the 1960s when the enterprise used to work with the residues coming from the timber industrial process. The production of pine paper began in this period as well. Nowadays, the enterprise 's activities encompass forests, timber processing, paper plant, door plant and corrugated cardboard paper. Additionally, the enterprise is one of the major packaging suppliers of the Brazilian southern region.

**Adami S/A** is installed in Caçador (Santa Catarina western plateau) and it integrates the territorial micro-region. The town known as Caçador is the leader in timber production in Santa Catarina state – there are 150 industries and 70 of them are linked to the timber sector.

The twenty-one (21) FME own farms and the sixty-three leased areas totalize 45,723,65 hectares and they are distributed in the following towns: Caçador, Lebon Régis, Matos Costa, Passos Maia, Calmon,

Ponte Serrada, Água Doce (Santa Catarina) and Palmas and União da Vitória (Paraná). Most part of the FME cooperators dwell in these towns. In most of these towns, the gross domestic product comes mainly from farming activities.

Some socio-economical data from the aforementioned towns which are under the FME influence are shown on the table below.

City/State	Area (km <sup>2</sup> )	Number of inhabitants	GDP per capita (R\$)	HDI
Calmon/SC	638.18	3,380	17,803.65	0.622
Lebon Régis/SC	941.49	12,133	21,772.02	0.649
Matos Costa/SC	433.07	2.614	12,736.49	0.657
Palmas/PR	1,557.89	48.990	18,398.84	0.660
Passos Maia/SC	619.16	4.243	23,897.91	0.659
Ponte Serrada/SC	564.49	11.545	17,956.43	0.693
Água Doce/SC	1,314.27	7.154	33,875.79	0.698
Caçador/SC	984.29	77.323	36,431.98	0.735
União da Vitória/PR	720.00	57.027	22,661.28	0.740

Source: IBGE - Cidades, 2010. [http://www.pnud.org.br/IDH/Default.aspx?indiceAccordion=1&li=li\\_AtlasMunicipios](http://www.pnud.org.br/IDH/Default.aspx?indiceAccordion=1&li=li_AtlasMunicipios)

State of Santa Catarina m-HDI is 0.744. This figure is deemed to be considerably high when compared to the same Brazilian m-HDI from the same period, namely 0.699. The influence region m-HDI is lower than the state average.

Caçador's and União da Vitória's m-HDI (2010) is 0.735 and 0.740, respectively. These numbers are close to the Brazilian HDI for the same period (0.726).

An indigenous community has been identified within the FMU influence area. Such a community, namely Xokleng Reserve, lies three km far from the FMU. A painstaking survey has been held in the Indigenous territory to get inputs about their culture and organization. The survey was based on visitations that were meant to get close to the community. These visitations, in turn, were used as tools to enable them to know the forest management enterprise (Adami S/A) and disseminate the communication channels that the FME makes available. Thirty-two (32) indigenous people dwelt in the community in 2014 and seven children were enrolled and attended elementary school on a regular basis (source: inputs that have been made available by the school).

INCRA's settlement projects have been identified in the region as well.

\*National Institute for Agrarian Reform



### 2.1.4 Land use, Ownership, and Land Tenure

The plantations of commercial stands commenced in 1965. Nowadays the FME owns twenty-one (21) farms which occupy an approximately 25,424.85-hectare area; 11,806.25 hectares is comprised by pine stands which are distributed in the following towns: Caçador, Lebon Régis, Matos Costa, Passos Maia, Calmon, Ponte Serrada, Água Doce (Santa Catarina) and Palmas and União da Vitória (Paraná). Furthermore, the enterprise administrates other sixty-three (63) farms in a leasing regime. Such farms lie in Caçador, Lebon Régis, Calmon, Palmas, Água Doce (Santa Catarina) and União da Vitória (Paraná). Aggregated, the farms totalize a 20,298.80 ha-area and pine is planted in 6,298.48 hectare of them. The FMUs land use and ownership paperwork is duly controlled. The ownership registration of all the FME own FMUs are duly registered in land registry offices in the towns where they are established. The paperwork encompasses registration at INCRA, NIRF (property code at the Federal Revenue Office) and demonstrative of payment of the taxed on rural properties. The farms that are managed under a leasing regime have contracts and contractual clauses. The copies of every property registration are retained as well.

## 2.2 Forest Management Plan

<p><b>Management Objectives:</b></p> <p>The main objective of <b>Adami S/A Madeiras</b> forest management consists in promoting plantation of productive forests to supply both the group-owned plants and the regional market and simultaneously respect the biodiversity, soil and ecosystems and focus on improving the population welfare, the society ' aspirations and the quality of the timber that is produced.</p>
<p><b>Forest Composition and Rationale for Species Selection:</b></p> <p>The system that has been adopted is based on silviculture and management of <i>Pinus taeda</i>. This aforementioned specie is demonstrably well adapted to the region (it was introduced in the region more than thirty (30) years ago) and it meets the technical features that are required in the FME industrial process.</p> <p>Other potential forest species were tested along the years for the implementation of forest stands; however, the results obtained so far show that <i>Pinus taeda</i> is the best option.</p>
<p><b>General Description of Land Management System(s):</b></p> <p>The forest management system that has been adopted is based on silviculture and <i>Pinus taeda</i> management in a eighteen-year cycle.</p> <p>The main forest management activities are detailed below.</p> <p><b>Seedling Production:</b> The seedlings are prepared in the FME own seedling nursery employing genetic material that had been developed in the FMU. The seedlings are produced in tubettes. Additionally, precautionary measures are taken in the seedling nursery to prevent pests and diseases.</p> <p><b>Soil Preparation:</b> It consists in cleaning the area to remove the vegetal residues. This activity may be implemented via mechanized or manual mowing.</p> <p><b>Control of Ants:</b> Ants cause huge damages to the young plantation; therefore their control is essential during the soil preparation for subsequent plantation. Such activity is implemented manually.</p> <p><b>Subsoiling:</b> It consists in opening lines employing a sub-soiler for the plantation of the seedlings.</p> <p><b>Plantation:</b> It consists in the plantation of new stands via manual plantation of seedlings in pre-determined areas for this purpose.</p> <p><b>Re-plantation:</b> It consists in replacing (post-plantation) the seedlings that died or that have been damaged or that are missing.</p> <p><b>Slashing:</b> This activity may be implemented either in a mechanized or in manual manner. Both the mechanized or manual slashing consist in reducing the higher vegetation to make the implementation of</p>

the subsequent operations easier and reduce weed competition.

**Pruning:** It consists in eliminating part of the tree branches to produce high quality logs.

**Thinning:** Thinning is implemented according to the forest growth results (such results are available in the inventories) and it may be implemented either in a selective or systematic manner.

**Clear-Cutting:** This operation is carried at the end of the forest cycle and it is meant to harvest the trees that remained in the area.

**Harvest Methods and Equipment used:**

Along the years, the FME has improved the way timber harvesting is implemented. Due to the increase of the planted areas, the scarce workforce and the necessity of more production, it became essential to migrate to semi-mechanized and mechanized processes to supply the industrial facilities. Additionally, it became essential to adopt these methods due to the current forest management that is adopted, namely larger diameters, which are supplied to the regional market. In the light of this, different harvesting techniques and equipments are employed along the FME forest management process. The main alterations made in the implementation of thinning took place in 2009 when systematic and selective thinning began to be implemented and clear-cutting began to be carried out at the end of the cycle. Additionally, systematic thinning has been implemented in the areas where genetic material is poorer (these areas were planted last year). Such alterations led to the rationalization of the machine utilization, increased the production and reduced the management costs.

**Explanation of the management structures:**

The forestry department is tasked to the responsibility of administrating all the forest management-related activities. Nowadays, this department is comprised by four forest engineers who are backed by a team of field supervisors. In addition, there is a foreman in every farm who is responsible to make that the board of director´s decisions are fulfilled. The supervisors, in turn, are responsible to report these decisions.

### 2.3 Monitoring System

**Growth and Yield of all forest products harvested:**

Continuous inventories are employed as tools to monitor forest growth and the permanent parcels are measured on an annual basis. A pre-harvesting inventory is elaborated whenever it is required to get more precise inputs about a given area. Painstaking cubage is undertaken in the trees as well to enable that adjust are made in the equations to assume the production. The volumes of timber that are harvested on a daily basis are quantified in the harvesting activity. The shipments are measured when the timber leaves the FMU and the volume-related inputs are entered in the controlling system to subsequently compare the volume that had been assumed and the volume that was effectively harvested and thus, monitor the forest yields.

**Forest dynamics and changes in composition of flora and fauna:**

The outcomes of the native fauna and flora evaluation that had been carried out are described in the Environmental Management Program (Ecosystem Preservation Sub- Program) and in the Environmental Impact Survey/Environmental Impact Report. The monitoring results are employed as tool to determine whether or not there had been alterations on fauna and flora compositions in the FMU.

**Environmental Impacts:**

The environmental impacts have been assessed and all the potential impacts caused by the forest management activities have been identified and analyzed. Measures to attenuate the negative impacts have been adopted as well.

The activities that are deemed as impacting are monitored prior, during and upon their finalization. The monitoring results (pre-during and upon finalization of the activities) are processed and analyzed and if required, preventive and attenuating measures are adopted. The organization develops a series of

activities to attenuate the impacts and the following stands out amongst them: (a) soil preservation activities; (b) works to recover degraded areas; (c) surveys to seek techniques and equipments that are adequate to the local conditions, etc. All the measures that have been specified are meant to surpass mere alignment to the legislation and prevent impacts controlling their main causes. All the measures that are meant to control environmental degradation are improved and/or altered according to the observations in the field and the monitoring results.

**Social Impacts:**

There is a specific program in place to manage social impacts. Such a program is meant to identify and address the impacts, improve the social relationship and work process to maximize the FME forthcoming investment in social issues.

The program is based on primary results surveys and evaluations that had been carried out in the FMU (neighboring communities, the people who dwell in the farm borders and direct staff and contractors) and on secondary surveys (inputs collected at city halls, IBGE, state education secretaries and health ministry).

Attenuating measures have been determined and implemented for the negative impacts whereas enhancing measures have been adopted for the positive ones - social programs and operational controlling measures are encompassed as well.

**Costs, Productivity, and Efficiency:**

An assumption of all the costs involved (including the ones that linked to the required infrastructure improvement, forestry operations, workforce, equipments, maintenance and forest and biodiversity preservation) are taken into account in the short, medium and long-term forest management planning. The values that are assumed on a monthly basis are compared and discussed in managerial meetings. The forest management efficiency and the quality of the operational activities are constantly monitored.

### 3. Certification Evaluation Process

#### 3.1 Evaluation Schedule and Team

##### 3.1.1 Evaluation Itinerary and Activities

Date: July 24, 2017	
FMU / Location / sites visited	Activities / notes
FME Office in Caçador (Santa Catarina)	An opening meeting was held for the introductions, provide an update about FSC and SCS Standard and Protocols, revise the auditing plan and scope, choose the sites that were to be inspected and revise the pending CARs and OBS; Paperwork pertinent to the FME own farms and the ones that are administrated under leasing was audited; The measures that have been taken to address CARs and OBS issued as a result of the previous audit were analyzed; The FME top management was interviewed.
Caçador Rural Labor Union	Stakeholder consultation
FATMA (Environmental Foundation) in Caçador.	Stakeholder consultation
Date: July 25, 2017	
FMU / Location / sites visited	Activities / notes

<p><b>Field Inspection:</b>                  Block Chapecózinho, Ponte Serrada (Santa Catarina)                  Farm SFC, Ponte Serrada (Santa Catarina)                  Farm a Amparo, Passos Maia (Santa Catarina)                  Farm Recreio, Passos Maia (Santa Catarina)                  Farm Santo Antônio do Salto, Água Doce (Santa Catarina)                  Farm – Arrendamento* 20                  Farm- Arrendamento 28</p> <p>*Leasing</p>	<p>The block headquarter was inspected to check timber dispatching process;                  Mechanized harvesting activities, namely logging, cross-cutting, transshipment, loading &amp; transport, were observed;                  Semi-mechanized harvesting operations were inspected, namely logging, cross-cutting, transshipment, loading &amp; transport;                  Silviculture-related activities, namely plantation, application of formicide and pruning were observed in the so-called Project Poço Verde- Stand 008A;                  Occupational health and safety conditions were assessed;                  The cooperators were interviewed;                  The cooperators' transporting conditions were checked;                  The conditions of roads, permanent preservation areas and legal reserves were observed;                  Spillways were inspected- water monitoring;                  HCVAs were observed;                  The lodgings were inspected;                  The equipments maintenance were checked; and                  The active gravel pits were inspected.</p>
Farm Chapecózinho Village	Stakeholder consultation
Settlement known as Vinte de novembro	Stakeholder consultation
Community known as Vila da Fábrica	Stakeholder consultation
Community known as Faxinal do São Pedro, km 26	Stakeholder consultation
Community known as Vila Branca	Stakeholder consultation
Neighbors of the farm Cachoeira	Stakeholder consultation
<b>Date:</b> July 26, 2017	
<b>FMU / Location / sites visited</b>	<b>Activities / notes</b>
<p><b>Field Inspection:</b>                  Block Jangada, Lebon Régis/SC                  - Farm Jangada                  - Farm São Roque                  - Farm Capão Alto                  Block Cachoeira, Calmon/SC                  - Farm Faxinal São Pedro                  - Farm Cachoeira</p>	<p>Semi-mechanized harvesting operations were observed;                  Implementation of road maintenance and preservation operations were inspected;                  Occupational health and safety conditions were assessed;                  The cooperators were interviewed;                  The conditions of PPAs and LRs were observed;                  Harvesting operations which were being conducted by a third-party enterprise were checked; and                  The cooperators' transporting conditions were checked.</p>
FUNAI – CR Interior Sul	Stakeholder consultation
ICMBio –Palmas Unit	Stakeholder consultation
Environmental Police – Caçador Unit	Stakeholder consultation
FME Office in Caçador	Paperwork was audited
<b>Date:</b> July 27, 2017	

FMU / Location / sites visited	Activities / notes
FME Office in Caçador	Occupational health and safety-related paperwork was audited; The FME social, environmental, operational and economical indicators and results were analyzed; Forest management plan was audited; The paperwork that was issued as a result of the HCVA identification survey was analyzed; Paperwork was audited, namely, social impact evaluation survey, dialogue channel, etc. Paperwork, such as environmental impact survey, plan to recover degraded areas, conversion surveys and so on, was audited; The cooperators were interviewed.
Santa Maria Federal University Professor	Interview
<b>Date:</b> July 28, 2017	
FMU / Location / sites visited	Activities / notes
FME Office in Caçador	Additional paperwork was audited; <b>Preparation of the closing meeting:</b> The assessment team spent some time to consolidate the inputs and confirm the audit findings; <b>Closing Meeting and Revision of the Findings:</b> A meeting was held with the FME relevant staff for a presentation of a summary of the audit findings, the potential nonconformities and the forthcoming phases.

### 3.1.2 Total Time Spent on Evaluation

A. Number of days spent on-site assessing the applicant:	05
B. Number of auditors participating in on-site evaluation:	02
C. Additional days spent on preparation, stakeholder consultation, and post-site follow-up:	02
<b>D. Total number of person days used in evaluation:</b>	<b>12</b>

### 3.1.3 Evaluation Team

<b>Auditor Name:</b>	Vanilda Rosângela de Souza	<b>Auditor role:</b>	Leader
<b>Qualifications:</b>	<p>Dr. Vanilda R. Souza is a Forest Engineer graduated at USP and doctor by UFPR in the Wood Technology Area. She has more than twenty years in professional experience. She has worked as a researcher, consultant and service provide for private sector in Brazil. In the forest sector, she has led quality programs at the forest-related activities. She has developed and implemented programs to manage the residues that are generated as a result of forest management activities. Additionally, she has developed and implemented rules for the utilization of chemical products and introduction of new products. The leader auditor has coordinated natural fragments surveys and projects to recover degraded areas.</p> <p>In the social area, she has developed human resources qualification programs (training and recycling) involving subjects such as productivity, quality, occupational safety and environment. Moreover, she has developed, implemented and put into practice environmental education programs in Paraná Northern Pioneer region.</p> <p>In the industrial segment, the leader auditor has developed and implemented forest</p>		

	and industry integration programs to improve the quality of the final products and reduce the production-related costs. She has coordinated surveys and programs to correct and optimize raw materials.		
<b>Auditor Name:</b>	Luiz Carlos Mudri	<b>Auditor role:</b>	Team Member
<b>Qualifications:</b>	<p><b>Luiz Carlos Mudri</b> is a forest engineer who was graduated at Santa Maria Federal University. In addition, the assessor is an occupational safety engineer who was graduated at Ponta Grossa Federal University. The assessor worked as a forestry operation manager both for domestic and multi-national enterprises in the following segments: timber supply (harvesting, transshipment, road, forestry transportation and logyard infeed). Mr. Mudri coordinated Klabin do Paraná supply department from 1995 to 2007. Moreover, he was MASISA FLORESTAL ´s forestry manager from 2007 to 2013. Mr. Mudri has also worked as quality (ISO 9001), safety (OHSAS 18001), FSC (forest management &amp; chain of custody) and environment (ISO 14001) internal auditor. Nowadays, Mr. Mudri provides forestry and occupational advisory-related services for forest management enterprises. In addition, he actuates as an SCS/Sysflor auditor in FSC certification processes.</p>		

## 3.2 Evaluation of Management System

### 3.2.1 Methodology and Strategies Employed

SCS deploys interdisciplinary teams with expertise in forestry, social sciences, natural resource economics, and other relevant fields to assess an FME’s conformance to FSC standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of forest cover and harvest prescription types, observation of implementation of management plans and policies in the field, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant field observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section and/or in observations.

### 3.2.2 Pre-evaluation

- A pre-evaluation of the FME *was not* required by FSC norms.
- A pre-evaluation of the FME was conducted as required by and in accordance with FSC norms.

## 3.3 Stakeholder Consultation Process

In accordance with SCS protocols, consultation with key stakeholders is an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. Distinct purposes of such consultation include:

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

Principal stakeholder groups are identified based upon results from the pre-evaluation (if one was conducted), lists of stakeholders from the FME under evaluation, and additional stakeholder contacts from other sources (e.g., chair of the regional FSC working group). The following types of groups and individuals were determined to be principal stakeholders in this evaluation:

### 3.3.1 Stakeholder Groups Consulted During Evaluation for Certification

FME Management and staff	Members of the FSC National Initiative
Consulting foresters	Local and regionally-based environmental organizations and conservationists
Contractors	Forest industry groups and organizations
Lease holders	Local, state, and federal regulatory agency personnel
Adjacent property owners	Recreational user groups
Local and regionally-based social interest and civic organizations	Other relevant groups
Pertinent Tribal members and/or representatives	

Stakeholder consultation activities are organized to give participants the opportunity to provide comments according to general categories of interest based on the three FSC chambers, as well as the SCS Interim Standard, if one was used. A public notice was sent to stakeholders at least 6 weeks prior to the audit notifying them of the audit and soliciting comments. The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

### 3.3.2 Summary of Stakeholder Comments and Responses from the Team, Where Applicable

Stakeholder Comments	SCS Response
<b>Economic Concerns</b>	
The enterprise cooperates positively for Caçador economy and it acts as a partner in the maintenance of roads and the municipal requests are fulfilled.	The assessment team concluded that the FME collected all the municipal taxes as per the legislation. The FME preferably gets services and purchases goods in its actuating region- including workforce.

Social Concern	
The enterprise is a partner of the city halls in the road maintenance process.	The assessment team realized that the FME develops partnership with the city halls of the towns that are under its forest management coverage for maintenance of the FMU external roads. It favors both the communities and the neighbors. The roads that give access to the FMU are in excellent conditions.
The enterprise gives priority on hiring people who live in the towns and in the neighboring communities.	The assessment team realized that the FME human resources department has specific procedures which are meant to give priority on hiring workforce from the towns that are under the forest management coverage – mainly the neighboring communities. There is a monitoring system in place to monitor the workforce origin to demonstrate that most cooperators are from the FME actuating region. The assessment team interviewed the cooperators and it was realized that most of them come from the region.
Environmental Concerns	
The enterprise keeps maintenance of roads and accesses upon finalization of the harvesting activities and/or during the implementation of the forest maintenance operations.	The assessment team interviewed the staff in the field and it was realized that the FME is concerned with the maintenance of its roads. Road preservation structures, such as water contention boxes and cleaned channels, are available in the areas that were inspected. This concern with the road maintenance is reflected in the preoccupation in preserving rivers and PPAs that occur in the FMU.

## 4. Results of the Evaluation

Table 4.1 below, contains the evaluation team’s findings as to the strengths and weaknesses of the subject forest management operation relative to the FSC Principles of forest stewardship. Weaknesses are noted as Corrective Action Requests (CARs) related to each principle.

### 4.1 Notable Strengths and Weaknesses of the FME Relative to the FSC P&C.

Principle / Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard
<b>P1: FSC Commitment and Legal Compliance</b>	There is a well structure system to control and keep records of illegal activities that took place in the FMU.	All the operational activities, except timber loading & transporting, are undertaken by the FME direct staff. According to the service provision contract requirements, the FME receives documents from the third-party enterprises on a monthly basis, such as taxes payment demonstrative and payslip, etc. However, such paperwork is not analyzed to confirm that these documents are aligned to the pertinent legislation. <b>Minor CAR 2017-01</b>
<b>P2: Tenure &amp; Use</b>	There are no land ownership	Updated legal land use and



<p><b>Rights &amp; Responsibilities</b></p>	<p>administrative or juridical liabilities.</p>	<p>ownership paperwork from the properties that comprise the FMU, namely the FME own areas and the farms that are administrated under leasing, have been made available. For the leased areas, copies of the registrations and the leasing contracts have been presented. However, when the leasing contracts were compared to the respective areas that are under the certification scope, it was observed that, even though the FME has responsibilities over the preservation, such areas are not mentioned in the leasing contracts. <b>OBS 2017-02</b></p>
<p><b>P3: Indigenous Peoples' Rights</b></p>	<p>The FME does not border the indigenous reserve; however, the records of the visitations that had been held to monitor the indigenous population that was identified next to the FMU (Xokleng) have been made available.</p>	<p>None</p>
<p><b>P4: Community Relations &amp; Workers' Rights</b></p>	<p>The enterprise provides several job and training opportunities to the local communities and residents.</p>	<p>The assessment observed during the field inspection of the different activities that the cooperators were wearing the PPEs as per the environmental risk prevention program for their specific activities. Moreover, it was noted that the PPEs are distributed to the cooperators without any charge and that the PPEs delivery forms are signed accordingly. The work fronts foremen and the safety technicians are tasked to the responsibility of monitoring whether PPEs are being worn accordingly. The following gap was detected when the block Fazenda Cachoeira (Project 2007- Stand 21 L) was inspected:</p> <ul style="list-style-type: none"> <li>• Two chainsaw operators were working with their visors raised next to an operator who was cross-cutting timber.</li> </ul> <p>This is a risky situation that jeopardizes the cooperators' eyes and faces. <b>Minor CAR 2017-03</b></p>

		<p>There is a system in place to manage the rural workers' occupational, health and environment which encompasses all the programs that are required by the current legislation.</p> <p>However, when the paperwork was audited (environmental risk prevention program, occupational health and safety medical control program, technical report on the environmental working conditions, occupational health certificates &amp; job orders), the assessment team realized that the divers' and the foremen's documentation do not match i.e. machine refueling is not anticipated in their job orders. Additionally, there are inconsistencies in the job order from a third-party enterprise that provides timber loading-related services. The activity truck hoisting, which is one of the main duties of the activity, is not mentioned in the tractor/ Munc operator's job order.</p> <p>There are procedures that set the precautionary measures that are to be taken while cutting devices are being handled. The implementation of such procedures is monitored in the field. However, when pruning, cross-cutting and tree logging operations were inspected, it was observed that the cutting parts do not have any protection. As a result, it jeopardizes the cooperators' safety when they need to dislocate to the work fronts OR even during their handling before and upon finalization of the activities.. <b>Minor CAR 2017-04</b></p> <p>The FME has undertaken a socio-economical diagnosis and on this occasion, the operational impacts before, during and upon finalization of the operational activities were</p>
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		<p>raised and evaluated. To implement and give continuity to this work, the staff from the social department visits the stakeholders at the moment the activities are being implemented. However, it has been realized that the staff from the social department is not involved in the planning of the forest management activities. Consequently, it may hinder the social performance in terms of process for identification of new impacts, evaluation and even monitoring of the impacts that have already been identified. <b>OBS 2017-05</b></p> <p>There are procedures in place to document consultation to the affected parts and to keep records of the comments that had been received and measures that had been taken. On the other hand, there is no procedure in place to provide responses to such comments. <b>Minor CAR 2017-06</b></p> <p>The FME adopts measures to attenuate the negative social impacts that are caused by the operational activities. Nevertheless, it was realized that some of them are not being sufficient to attenuate the impacts, such as dust that is generated in the village known as Chapecózinho. The community was visited and it was realized that the people who live in the main street where trucks enter and exit suffer with the dust. <b>Minor CAR 2017-07</b></p>
<p><b>P5: Benefits from the Forest</b></p>	<p>There is an economical plan in place which encompasses provision to bear the costs (environmental, social and operational) and revenues along the time. The planning demonstrated that the enterprise is economically viable along the time.</p>	<p>None</p>
<p><b>P6: Environmental Impact</b></p>	<p>An environmental impact evaluation system, which is based on analysis</p>	<p>None</p>

	<p>procedures and evaluations, has been adopted. The impacts that every forestry operations may cause have been duly raised and it allows that impacts caused by every operations are controlled in a more effective manner.</p>	
<b>P7: Management Plan</b>	<p>The model of the forest management plan that has been adopted encompasses all the FME social, environmental and economical inputs.</p>	None
<b>P8: Monitoring &amp; Assessment</b>	<p>The monitoring plan, which includes indicators for the relevant economical, environmental and social aspects and targets that are to be fulfilled, has been made available. The monitoring-related inputs are critically analyzed and the results are employed as tools to plan and implement the forest management activities.</p>	None
<b>P9: High Conservation Value Forests</b>	<p>All the anticipated measures and practices to keep or enhance every attribute and/or reduce the threats to them have been implemented in all the high conservation values that had been identified.</p>	<p>Surveys for identification of HCVAs 1, 2 and 3 have been undertaken and potential HCV 1 (presence of threatened and endemic species), HCV2 (large areas in the regional landscape level- biological corridors) and HCV3 (areas that provide basic environmental services in critical situations – threatened or endangered ecosystems) have been pointed out. Concerning presence of HCVs 4, 5 and 6, the FME affirms that, according to the knowledge and involvement with the local communities and some of monitoring that had been undertaken, such attributes are not present. However, no effective justifications (compilation of the existing inputs, results of consultation to the communities, etc.) which demonstrate whether or not there are HCV 4, 5 and 6, has been made available. <b>Minor CAR 2017-08</b></p> <p>A map that shows all the native</p>

		<p>forest areas that are classified as HCVA 1, 2 and 3 and that identifies all the measurement parcels and monitoring that had been undertaken for the HCVA1, has been made available to the assessment team. However, the color pattern that is employed in the map does not provide sufficient contrast to visualize the delimitation of the areas. For HCVA1, the monitoring parcels are plotted; there is no demarking line for this area, though.</p> <p><b>OBS 2017-09</b></p> <p>The process to validate the HCVs was undertaken with four UNOESC researchers. These researchers carried out a painstaking evaluation of the potential HCVs, the risks, the protective measures and the given monitoring of every high conservation area. On the other hand, the other stakeholders have not been identified and included in the relevant consultation process.</p> <p><b>Minor CAR 2017-10</b></p> <p>The FME has defined monitoring to assess the effectiveness of the measures that are employed to keep and/or enhance the HCVs that had been identified. Conclusions are made upon finalization of every monitoring campaign. The paperwork was analyzed and it was realized that the links between definition of the attributes &amp; monitoring indicators are not clear because the initial HCVA survey had been undertaken by a research entity whereas the monitoring are being carried out by another entity. <b>Minor CAR 2017 -11</b></p>
<p><b>P10: Plantations</b></p>	<p>58% of the FMU area is comprised by native vegetation and this figure surpasses that value that is set by the legislation that deals with the biome where the FME is inserted in</p>	<p>None</p>

	(Law #12.651/12). Furthermore, there is a forestry recovery project in place which is meant to eliminate exotic species from permanent preservation areas.	
<b>Chain of custody</b>	Everyone who is involved in the forest management chain-of-custody is aware of the procedures and controls that are required to assure the products traceability.	None
<b>Group Management</b>	NA	NA

## 4.2 Process of Determining Conformance

### 4.2.1 Structure of Standard and Degrees of Nonconformance

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

Corrective action requests (CARs) are issued for every instance of a nonconformance. Major nonconformances trigger Major CARs and minor nonconformances trigger Minor CARs.

#### 4.2.1 Interpretations of Major CARs, Minor CARs and Observations

*Major CARs:* Major nonconformances, either alone or in combination with nonconformances of all other applicable indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant FSC Criterion given the uniqueness and fragility of each forest resource. These are corrective actions that must be resolved or closed out before a certificate can be awarded. If Major CARs arise after an operation is certified, the timeframe for correcting these nonconformances is typically shorter than for Minor CARs. Certification is contingent on the certified FME's response to the CAR within the stipulated time frame.

*Minor CARs:* These are corrective action requests in response to minor nonconformances, which are typically limited in scale or can be characterized as an unusual lapse in the system. Most Minor CARs are

the result of nonconformance at the indicator-level. Corrective actions must be closed out within a specified time period of award of the certificate.

*Observations:* These are subject areas where the audit team concludes that there is conformance, but either future nonconformance may result due to inaction or the FME could achieve exemplary status through further refinement. Action on observations is voluntary and does not affect the maintenance of the certificate. However, observations can become CARs if performance with respect to the indicator(s) triggering the observation falls into nonconformance.

#### 4.2.2 Major Nonconformances

<input checked="" type="checkbox"/>	No Major CARs were issued to the FME during the evaluation. Any Minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major CARs were issued to the FME during the evaluation, which have all been closed to the satisfaction of the audit team and meet the requirements of the standards. Any Minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major CARs were issued to the FME during the evaluation and the FME has not yet satisfactorily closed all Major CARs.

#### 4.2.3 Existing Corrective Action Requests and Observations

The nonconformities listed below (2016) have been issued by another certification body and they were analyzed by SCS assessment team during the re-certification audit (2017). The corrective measures that had been implemented and the current status of every finding are detailed below.

<b>Finding Number: 01/16</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.2.3
<b>Non-Conformity (or Background/ Justification in the case of Observations):</b> The assessment team observed that a harvesting cooperater has undertaken an unsafe maneuver. The assessment team observed during the field inspection that one chainsaw operator made an unsafe maneuver during systematic tree logging (the cage was deformed during the logging of another tree – a method that is known as <i>telephone</i> ).	
<b>Corrective Action Request (or Observation):</b> Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance	

<b>FME response</b> <i>(including any evidence submitted)</i>	The incident that was reported during the assessment was analyzed and it was concluded that the procedures were not being fully implemented despite the guidance program that is provided to the cooperators throughout the year. In the light of this, monitoring has been intensified. This so-called <i>cage</i> attitude is strictly forbidden in the FMU and they will no longer be allowed during the operation. The number of monitoring and field inspections that had been undertaken can be checked during the audit.
<b>SCS review</b>	The field inspections have been intensified to check the tree logging activities and the results of the evaluations are registered in a specific checklist. The checklist includes items to assess safe manual logging techniques without employing the method in series ( <i>telephone effect</i> ). The records show that the practice of logging trees in series is no longer employed. The assessment team realized in the field that the chainsaw operators are aware of the safe tree logging techniques and conscious about the internal safety rules that are to be followed to implement this activity. Moreover, they reported that logging trees in series is forbidden. In the light of the above, the nonconformity has been closed.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 02/16

Select one:  Major CAR     Minor CAR     Observation

FMU CAR/OBS issued to (when more than one FMU):

<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input checked="" type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
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**FSC Indicator:** 4.2.11

**Non-Conformity** (or Background/ Justification in the case of Observations):

Wearing of PPEs is duly monitored by the organization. The assessors interviewed managers and cooperators, audited paperwork and carried out field inspections and it was realized that individual protection equipments (PPEs) are made available free of charge to the cooperators. Moreover, the PPEs are in adequate conditions and are appropriate to the tasks and equipments that are employed. On the other hand, some monitoring gaps and some equipments incorrectness were observed during the field inspections. The following gaps were observed in the field in distinct work fronts:

- (a) Two cooperators who were engaged in the application of formicide were not wearing their uniform T-shirts underneath the PPE overall;
- (b) Chainsaw operators and their harvesting helpers and the cooperators who were implementing pruning were not wearing safety goggles;
- (c) A machine operator, backed by the trees fastening for the tractor skidding was not wearing his gloves while he was handling the steel cable to tie them; and
- (d) The field foreman was not wearing the gaiters to come into the stand.



<p><b>Corrective Action Request (or Observation):</b>                  Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.                  Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance</p>	
<p><b>FME response</b>                  (including any evidence submitted)</p>	<p>A series of evidences demonstrating that guidance that had been provided to the cooperators have been made available. The evidences of the measures that had been taken to address the nonconformity root cause have been shown as well, as follows:</p> <ul style="list-style-type: none"> <li>• Attendance list and photographic records of the occupational health and safety guidance that had been provided to the cooperators. The focus of this training was correct and adequate utilization of the individual protection equipments;</li> <li>• Instructions about PPEs and their several uses: It consists in an illustrated informative material which details the specific applications of all the PPEs that are employed in the forest management;</li> <li>• Technical catalogue of the new models of boots that the forest management teams wear and demonstrative of the respective tests against snake bites that had been issued by Butantã Institute; and</li> <li>• Working instructions detailing the safety officer 's new inspection routine in the forest management areas.</li> </ul>
<p><b>RA review</b></p>	<p>The measures that had been defined and implemented to address the nonconformity and improve the existing monitoring of occupational safety-related issues have been made available. The measures were defined as follows:</p> <ol style="list-style-type: none"> <li>1. <b>Monitoring:</b> The safety and forestry departments have reevaluated monitoring and it has been defined that the frequency of the occupational safety technician's field inspections would be increased.</li> <li>2. <b>Cooperators:</b> Guidance and recycling have been provided to the forest management cooperators and the following topics have been covered: the main risks that are involved in every activity and the most adequate PPEs for every use and situation.</li> <li>3. <b>Equipments:</b> The models of some PPEs, such as boots, have been changed. Tall boots are currently in use they can be worn without the gaiters.</li> </ol> <p>The corrective measures were deemed to be sufficient and adequate to close the nonconformity.</p>
<p><b>Status of CAR:</b></p>	<p><input checked="" type="checkbox"/> Closed  <input type="checkbox"/> Upgraded to Major  <input type="checkbox"/> Other decision (refer to description above)</p>

**Commented [S1]:** Evan, this nonconformity has already been closed by Imaflora; therefore, I guess we should not add it here. Is it ok?

<b>Finding Number: 03/16</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	6.6.2
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): It was observed during the field inspection that there is no signalization in the pesticide application areas with indication of the application dates & the respective deadlines to re-enter the areas that had been treated.	
<b>Corrective Action Request</b> (or Observation): Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance	
<b>FME response</b> (including any evidence submitted)	The organization has had warning signals manufactured to be placed in the treated areas. It has been defined that this warning signal will stay in the place until the waiting period expires. These measures shall be checked during the audit.
<b>SCS review</b>	Chemical product application activity was inspected and it was observed that there are warning signals that state the date when the product was applied and the date when re-access to the area would be liberated.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 04/16</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	6.7.3
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): The assessment team carried out field inspections and interviewed the personnel in charge and it was realized that the effluents from the seedling nursery irrigation system are not chemically analyzed.	

<b>Corrective Action Request (or Observation):</b> O Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance	
<b>FME response (including any evidence submitted)</b>	This nonconformity was issued because the assessor interpreted that chemical analysis is not undertaken in a small creek that lies 50 meters far from the seedling nursery. In the light of this, it has been defined that this analysis will be carried out on an annual basis to confirm whether the existing water resource is contaminated or not.
<b>SCS review</b>	Procedures to analyze the water from the seedling nursery irrigation system and the water from the creek that lies 50 meters far from the seedling nursery have been adopted. The results of the analysis that was held in March 2017 have been made available. The analysis encompasses the main active principle (Glyphosate) and total trihalomethane. The result of the evaluation showed that these active principles are not present.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 05/16</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to (when more than one FMU):</b>	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	7.1.2
<b>Non-Conformity (or Background/ Justification in the case of Observations):</b> The assessment team carried out field inspections and audited paperwork and it was realized that the maps of the forest management areas do not show the existing water resources.	
<b>Corrective Action Request (or Observation):</b> Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance	
<b>FME response (including any evidence submitted)</b>	An expert third-party enterprise has been hired to check this issue, carry out flights drones, undertake field inspection and use up-to-date satellite images to check the areas and analyze soil use images and geo-processing.

<b>SCS review</b>	The maps that show the areas that are managed were made available during the audit that was undertaken in 2017. The water resources are plotted in the farms cartographic base. The maps were followed during the field inspection and it was realized that the plotting of the hydrographic network is compatible to the reality in the field.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)
<b>Finding Number: OBS 01/16</b>	
<b>Select one:</b>	<input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	6.5.5
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations):	
<p>Proper measures are taken to prevent erosion and soil mapping, which commenced in July 2014, is being finalized. The soil mapping is expected to be finalized by the first semester of 2017.</p> <p>The following documents were analyzed:</p> <ul style="list-style-type: none"> <li>• Research Project (Module II): <i>Pinus taeda Productive Potential Zoning &amp; Definition of ADAMI S/A Madeiras 'Forest Management Units (Caçador-Santa Catarina).</i></li> <li>• Selective Systematic Thinning Procedure (Volume I of the forest management plan, page 151);</li> <li>• Clear-Cutting Procedure (Volume I of the forest management plan, page 157) and;</li> <li>• Soil Preparation Procedure (Reform)- Procedures Vrs 2015_rev_2016 A3 page 2– electronic version.</li> </ul>	
<b>Corrective Action Request</b> (or Observation):	
The possibility of mapping out the areas that are susceptible to erosion is not taken into account in the objectives of the aforementioned research.	
<b>FME response</b> (including any evidence submitted)	The main objective of the project that is mentioned in the corrective action requests consists in determining soil fertility. However, other surveys about declivity of terrain in watershed and road systems that are susceptible to erosion are undertaken as well.
<b>SCS review</b>	Two research projects have been made available: the first one is linked to soil fertility & physical-chemical structures whereas the second is associated to the forest hydrology area and water quality. The FME has still defined a study about the terrain declivity in watershed & forestry road systems that are susceptible to erosive processes will be undertaken. The FME understands that the terrain declivity would be more critical than the soil structure itself. Thereby, the FME decided to initially analyze the influence of the forest roads and declivity on the watersheds and the survey about the soil physical-chemical structure will be undertaken in the future. The assessors understood the justification and consequently, the observation has been closed.

<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>
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#### 4.2.4 New Corrective Action Requests and Observations

<b>Finding Number: 2017-01</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	1.1.3.
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): All the operational activities, except timber loading & transporting, are undertaken by the FME direct staff. According to the service provision contract requirements. The FME receives documents from the third-party enterprises on a monthly basis, such as taxes payment demonstrative and payslip, etc. However, such paperwork is not analyzed to confirm that these documents are aligned to the pertinent legislation.	
<b>Corrective Action Request</b> (or Observation): The organization shall assure that the third-party enterprises, subcontractors, customers who purchase timber and their contractors or subcontractors who actuate in the FMU are aligned to the applicable legislation.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

<b>Finding Number: 2017-02</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	2.1.1
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): Updated legal land use and ownership paperwork from the properties that comprise the FMU, namely the FME own areas and the farms that are administrated under leasing, have been made available. For the leased areas, copies of the registrations and the leasing contracts have been presented. However, when the leasing contracts were compared to the respective areas that are under the certification scope, it was observed that, even though the FME has responsibilities over the preservation, such areas are not mentioned in the leasing contracts.	
<b>Corrective Action Request</b> (or Observation): The leasing contracts should be revised to assure that the conservation areas that lie in the leased areas and that are under the FME preservation responsibilities are duly covered in the contracts.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2017-03</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.2.11.

<b>Non-Conformity</b> (or Background/ Justification in the case of Observations):	
<p>The assessment observed during the field inspection of the different activities that the cooperators were wearing the PPEs as per the environmental risk prevention program for the development of their specific activities. Moreover, it was noted, in the PPEs delivery forms, that the PPEs are distributed to the cooperators without any charge. The work fronts foremen and the safety technicians are tasked to the responsibility of monitoring whether PPEs are being worn accordingly.</p> <p>The following gap was detected when the block Fazenda Cachoeira (Project 2007- Stand 21 L) was inspected:</p> <ul style="list-style-type: none"> <li>Two chainsaw operators were working with their visors raised next to an operator who was cross-cutting timber.</li> </ul> <p>This is a risky situation that jeopardizes the cooperators' eyes and faces.</p>	
<b>Corrective Action Request</b> (or Observation):	
<p>Personal protection equipments (PPEs) shall be provided or assured to all the cooperators. These PPEs shall be provided free of charge and they ought to be appropriate to the tasks and equipments that are employed. Wearing PPEs shall be mandatory and it shall be monitored by the organization.</p>	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2017-04</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.2.14

<b>Non-Conformity</b> (or Background/ Justification in the case of Observations):	
<p>There is a system in place to manage the rural workers' occupational, health and environment which encompasses all the programs that are required by the current legislation.</p> <p>However, when the paperwork was audited (environmental risk prevention program, occupational health and safety medical control program, technical report on the environmental working conditions, occupational health certificates &amp; job orders), the assessment team realized that the divers' and the foremen's documentation do not match i.e. machine refueling is not anticipated in their job orders. Additionally, there are inconsistencies in the job order from a third-party enterprise that provides timber loading-related services. The activity truck hoisting, which is one of the main duties of the activity, is not mentioned in the tractor/ Munck operator's job order.</p> <p>There are procedures that set the precautionary measures that are to be taken while cutting devices are being handled. The implementation of such procedures is monitored in the field. However, when pruning, cross-cutting and tree logging operations were inspected, it was observed that the cutting parts do not have any protection. As a result, it jeopardizes the cooperators' safety when they need to dislocate to the work fronts OR even during their handling before and upon finalization of the activities.</p>	
<b>Corrective Action Request</b> (or Observation):	
<p>The different occupational health and safety programs shall be compatible with one another. Moreover, they shall anticipate the safety of all the personnel – including handling of cutting equipment.</p>	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2017-05</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.4.3



<b>Non-Conformity</b> (or Background/ Justification in the case of Observations):	
The FME has undertaken a socio-economical diagnosis and on this occasion, the operational impacts before, during and upon finalization of the operational activities were raised and evaluated. To implement and give continuity to this work, the staff from the social department visits the stakeholders at the moment the activities are being implemented. However, it has been realized that the staff from the social department is not involved in the planning of the forest management activities. Consequently, it may hinder the social performance in terms of process for identification of new impacts, evaluation and even monitoring of the impacts that have already been identified.	
<b>Corrective Action Request</b> (or Observation):	
The staff from the FME social department should participate of the operational planning to enable that the efforts that are taken to address the social impacts caused by the forest management activities are efficiently implemented.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2017-06</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.4.6
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations):	
There are procedures in place to document consultation to the affected parts and to keep records of the comments that had been received and measures that had been taken. On the other hand, there is no procedure in place to provide responses to such comments.	
<b>Corrective Action Request</b> (or Observation):	
Proportional to the forest management scale & intensity, the following measures are to be taken:	
<ul style="list-style-type: none"> <li>• The consultations that had been undertaken shall be duly documented; and</li> <li>• The records of the comments that have been received, the measures that have been taken and the responses provided to the stakeholders shall be retained.</li> </ul>	

<b>FME response</b> <i>(including any evidence submitted)</i>	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

<b>Finding Number: 2017-07</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.4.8
<b>Non-Conformity</b> <i>(or Background/ Justification in the case of Observations):</i> The FME adopts measures to attenuate the negative social impacts that are caused by the operational activities. Nevertheless, it was realized that some of them are not being sufficient to attenuate the impacts, such as dust that is generated in the village known as Chapecózinho. The community was visited and it was realized that the people who live in the main street where trucks enter and exit suffer with the dust.	
<b>Corrective Action Request</b> <i>(or Observation):</i> The measures that are defined under 4.4.7 shall be proportional to the impacts that had been identified. Additionally, they shall be added to the forest management planning & operations – including social-interest projects, if pertinent.	
<b>FME response</b> <i>(including any evidence submitted)</i>	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

<b>Finding Number: 2017-08</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	9.1.1
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): Surveys for identification of HCVAs 1, 2 and 3 have been undertaken and potential HCV 1 (presence of threatened and endemic species), HCV2 (large areas in the regional landscape level- biological corridors) and HCV3 (areas that provide basic environmental services in critical situations – threatened or endangered ecosystems) have been pointed out. Concerning presence of HCVs 4, 5 and 6, the FME affirms that, according to the knowledge and involvement with the local communities and other some of monitoring that had been undertaken, such attributes are not present. However, no effective justifications (compilation of the existing inputs, results of consultation to the communities, etc.) which demonstrate whether or not there are HCV 4, 5 and 6, has been made available.	
<b>Corrective Action Request</b> (or Observation): According to the operations scale and intensity, a documented evaluation, based on primary and/or secondary data shall be undertaken to identify whether or not there is one or more than one conservation value in the FMU.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2017-09</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	9.1.2

<b>Non-Conformity</b> (or Background/ Justification in the case of Observations):	
A map that shows all the native forest areas that are classified as HCVA 1, 2 and 3 and that identifies all the measurement parcels and monitoring that had been undertaken for the HCVA1, has been made available to the assessment team. However, the color pattern that is employed in the map does not provide sufficient contrast to visualize the delimitation of the areas. For HCVA1, the monitoring parcels are plotted; there is no demarking line for this area, though.	
<b>Corrective Action Request</b> (or Observation):	
The map that shows the location of the HCVAs (1, 2 and 3) and their respective delimitation should be revised.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2017-10</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	9.2.1
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations):	
The process to validate the HCVs was undertaken with four UNOESC researchers. These researchers carried out a painstaking evaluation of the potential HCVs, the risks, the protective measures and the given monitoring of every high conservation area. On the other hand, the other stakeholders have not been identified and included in the relevant consultation process.	
<b>Corrective Action Request</b> (or Observation):	
The relevant stakeholders shall be identified and included in the consultation process. The stakeholders who had been consulted and their main contributions and results shall be registered.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2017-11</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	9.4.1
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): The FME has defined monitoring to assess the effectiveness of the measures that are employed to keep and/or enhance the HCVs that had been identified. Conclusions are made upon finalization of every monitoring campaign. The paperwork was analyzed and it was realized that the links between definition of the attributes & monitoring indicators are not clear because the initial HCVA survey had been undertaken by a research entity whereas the monitoring are being carried out by another entity.	
<b>Corrective Action Request</b> (or Observation): The findings of the HCVS monitoring reports should be revised to make it clear the link between the HCVs that had been identified & the monitoring indicators.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

## 5. Certification Decision

Certification Recommendation	
FME be awarded FSC certification as a “Well-Managed Forest” subject to the minor corrective action requests stated in Section 4.2.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
The SCS evaluation team makes the above recommendation for certification based on the full and proper execution of the SCS Forest Conservation Program evaluation protocols. If certification is recommended, the FME has satisfactorily demonstrated the following without exception:	
FME has addressed any Major CAR(s) assigned during the evaluation.	Yes <input type="checkbox"/> No <input type="checkbox"/>
FME has demonstrated that their system of management is capable of ensuring that all of the requirements of the applicable standards (see Section 1.6 of this report) are met over the forest area covered by the scope of the evaluation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
FME has demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<p><b>Comments:</b> The forest management enterprise is duly aligned to the indicators of the FSC certification standard. The assessment team realized that the forests stands are well managed and that their productivity is excellent. There are key investments in research and the FME is one of the pioneers in forestry improvement for pine culture in Brazil.</p> <p>The FME develops a good environmental management plan and there is an efficient roads maintenance program in place.</p> <p>Moreover, the stakeholders are fully aware of the relevance of the enterprise for Caçador region and the cooperators are unanimously satisfied in working at the enterprise.</p> <p>The organization demonstrated good results in meeting the requirements of the certification standard; therefore, re-certification is recommended.</p>	