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

Jari Florestal S.A.
SCS-FM/COC-00075N

Vila Munguba – S/N
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CERTIFIED	EXPIRATION
13/07/2009	13/07/2014

DATE OF FIELD AUDIT
04 to 08/11/2013
DATE OF LAST UPDATE
24/11/2013

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.

FOREWORD

Cycle in annual surveillance audits			
<input type="checkbox"/>	1 st annual audit	<input type="checkbox"/>	2 nd annual audit
<input type="checkbox"/>		<input type="checkbox"/>	3 rd annual audit
<input checked="" type="checkbox"/>	Special audit		4 th annual audit
Name of Forest Management Enterprise and abbreviation used in this report:			
Jari Florestal S.A.			

All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. A public summary of the initial evaluation is available on the SCS website www.scscertified.com.

Pursuant to FSC and SCS guidelines, annual / surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions or Corrective Action Requests (CARs; see discussion in section 4.0 for those CARs and their disposition as a result of this annual audit);
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior to the audit; and
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

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SECTION A – PUBLIC SUMMARY

1.0 GENERAL INFORMATION

1.1 Annual Audit Team

Auditor Name:	Vanilda Rosângela de Souza	Auditor role:	Auditor líder
<p>Qualifications: Vanilda Rosângela de Souza is a forest engineer who was graduated at Universidade de São Paulo, M. Sc. ESALQ/USP and doctor degree at Universidade Federal do Paraná in Wood Technology. She has more than twenty years of professional experience and she has actuated as a researcher, advisor and service provider for the private sector in Brazil. In the forest sector, she has led quality-related programs in forestry activities. In the environmental sector, she has carried out surveys and has developed programs meant to minimize the environmental impacts that are caused by forestry-related activities. By SCS, she has participated in FSC certification process – pre-evaluation, certification and re-certification of a number of forest management units that involve both planted and natural forests. Furthermore, she has participated of various FSC Chain-of-Custody certification processes (Northern, Southern, Southeast, and Center West of Brazil). Nowadays, Vanilda Rosângela de Souza is Sysflor´s general director and she coordinates forest management certification projects in Brazil.</p>			
Auditor Name:	Rossynara B. C. Marques	Auditor role:	Auditor
<p>Qualifications: Forest Engineer graduated by Amazon Institute of Technology with specialization in environmental engineering at Federal University of Amazonas - UFAM. Experienced in forest management in the Brazilian Amazon, projects management and in partnership with logging companies and communities.</p> <p>Currently she is director and owner of AMPLA CONSULTORIA E PROJETOS SOCIOAMBIENTAIS LTDA. Worked during three years at The Forest Trust - TFT, preparing companies for FSC, VLO and LHV certification process, for forest management and chain of custody and consultant on social aspects in forest concession. For five years she worked as coordinator of Componente Iniciativas Promissoras no âmbito do ProManejo (IBAMA), engaging government Environment actions to promote forest management in the Amazon region implementing Training Centers. She detains a wide knowledge in community forest management, in Central America and Latin America. Since 2000 she participates in the Working Group - MFC, which has contributed with public policy proposals. She has also experience in forest certification assessment, working with IMAFLORA (Brazil) and Centro de Investigación y Manejo de Recursos Naturales Renováveis (Investigation and Management of Renewable Natural Resource Center) - CIMAR (Bolivia). Moreover, from 2007 to 2010 she worked as auditor in the process of forest management and chain of custody at Sysflor, representative of SCS in Brazil. Related to the social area she implanted and developed community forest management plan conservation areas concentrated in Pará state, supporting qualification in reducing impact of logging for community forest management and labor safety.</p> <p>As advisor at the Institute for Development of Forests in the State of Pará - IDEFLOR, on the Board of Management of Public Forests, she has the primary responsibility in developing and implementing a monitoring system for forest concession areas. In addition, as project analyst of The Forest Trust (TFT), she advised for 3 years preparing different forestry companies for certification process.</p>			
Auditor Name:	Ana Cristina M. de Oliveira	Auditor role:	Auditor
<p>Qualifications: She got BSc degree in Biological Sciences at Federal University of Minas Gerais, MSc in Neotropical Primates Ecology and Behavior at Federal University of Pará and PhD in Sustainable Development of Humid Tropics in the same University. Nowadays she has an Associate Professor I position at Federal Pará University, and also is associated professor at Emilio Goeldi Museum pos graduation program.</p>			

She is a researcher in ecology of terrestrial mammals and management of wildlife hunting, mainly in Amazon region. She is working during 19 years in Amazon region, with wide experience on wildlife ecology. She participated as auditor, in forest certification process, with several audits on certification and recertification processes in the Amazon and southern region of Brazil.

Auditor Name:	Naiara Teodoro Zamin	Auditor role:	Auditor
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Qualifications: Forest Engineer, graduated from the Federal University of Paraná (UFPR). Master in Forestry UFPR in the area of Forest Management. She is FSC chain of custody and forest management auditor. The most recent training she has received include course of Management of Tropical Forests by the National Institute for Amazonian Research (INPA) and lead auditor for ISO 14001 (environmental management system). She has experience in Forest Resources research with emphasis on Forest Management.

1.2 Total Time Spent on Evaluation

A. Number of days spent on-site assessing the applicant:	5
B. Number of auditors participating in on-site evaluation:	4
C. Additional days spent on preparation, stakeholder consultation, and post-site follow-up:	1
D. Total number of person days used in evaluation:	21

1.3 Standards Employed

1.3.1. Applicable FSC-Accredited Standards

Title	Version	Date of Finalization
FSC (Forest Stewardship Council) Certification Standards for Dry Land Forest Management in the Brazilian Amazon.		March 24, 200
All standards employed are available on the websites of FSC International (www.fsc.org), the FSC-US (www.fscus.org) or the SCS Forest Conservation Program homepage (www.scscertified.com/forestry). Standards are also available, upon request, from Scientific Certification Systems (www.scscertified.com).		

1.3.2. SCS Interim FSC Standards

Title	Version	Date of Finalization
N/A		
The SCS Interim Standard was developed by modifying SCS' Generic Interim Standard to reflect forest management in the region and then by incorporating relevant components of the Draft Regional / National Standard, as well as 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 as identified by FSC International, SCS, the forest managers under evaluation, and the national initiative. A copy of the standard is available at www.scscertified.com/forestry or upon request from SCS.		

2.0 ANNUAL AUDIT DATES AND ACTIVITIES

2.1 Annual Audit Itinerary and Activities

Date: 04/11/2013	
FMU/Location/ sites visited	Activities/ notes
Office	<ul style="list-style-type: none"> • Opening meeting: introductions, client update, review the audit scope, audit plan, introduction / update the standards and protocols of the FSC and SCS and final selection of sites to be inspected • Verification of documents; • Management plan, soil use maps, maps of communities; • Documentation of asset security sector; • Documentation of ownership and land use; • Verification of operating licenses- POA/AUTEX.
Date: 05/11/2013	
FMU/Location/ sites visited	Activities/ notes
UPA 07 and 08	<ul style="list-style-type: none"> • Survey on activity logging (extraction, drag, transportation, etc.); • Inspection of yard waste of UPA 07; • Inspection of dining area and rest of Solution's employees; • Verification of health and safety condition at work; • Interview of employees.
STTR- Sindicato dos Trabalhadores e Trabalhadoras Rurais de Almeirim – subsede Monte Dourado	<ul style="list-style-type: none"> • Stakeholder consultation.
SINTRACEL	<ul style="list-style-type: none"> • Stakeholder consultation.
ITERPA	<ul style="list-style-type: none"> • Stakeholder consultation.
FRM's office	<ul style="list-style-type: none"> • Verification of the chain of custody management system; • Verification of Labor documentation.
Date: 06/11/2013	
FMU/Location/ sites visited	Activities/ notes
UPA 07 and 08	<ul style="list-style-type: none"> • Verification of exploration activities monitoring system. • Verification of chain of custody management system at the field; • Verificação das atividades exploratórias: planejamento, abertura de pátios, derrubada e arraste. • Verification of exploratory activities: planning, open courtyards, cutting trees and logs drag.
HVCF – Freguesia region	<ul style="list-style-type: none"> • Inspection on HVCF; • Verification procedures for HCVF protection; • Verification of HCVF monitoring procedures.
Freguesia community	<ul style="list-style-type: none"> • Stakeholder consultation.
Jari's office	<ul style="list-style-type: none"> • Verification of planning and management control activities; • Verification of documentation; • Verification of planning and control activities for tropical forest management;

	<ul style="list-style-type: none"> • Verification of monitoring programs.
Date: 07/11/2013	
FMU/Location/ sites visited	Activities/ notes
SINTRACONVAJ	<ul style="list-style-type: none"> • Stakeholder consultation.
Jari Foundation	<ul style="list-style-type: none"> • Verification of social programs; • Social impacts assessing and monitoring; • Dialog channels and communication.
Jari's office	<ul style="list-style-type: none"> • Verification asset security control; • Verification of legal sector.
Storage of waste – Corporate headquarters	<ul style="list-style-type: none"> • Checking collection program and inspection of waste disposal.
Date: 08/11/2013	
FMU/Location/ sites visited	Activities/ notes
Cooperativa dos Produtores Extrativistas de Madeira de Almeirim e Região	<ul style="list-style-type: none"> • Stakeholder consultation.
Jari's office	<ul style="list-style-type: none"> • Scoring; • Closing meeting.

3.0 CHANGES IN MANAGEMENT PRACTICES

The company added a pre-slaughter operation in the pre-exploratory stage, changed the log yards allocation system and modified drag procedure.

4.0 RESULTS OF THE EVALUATION

4.1 Existing Corrective Action Requests and Observations

Finding Number: 2012-1	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	P4.c5.i1
Nonconformity: There are formal procedures to provide compensation for the negative impacts; however, only punctual measures are taken.	
Corrective Action Request: It is required to assure that the compensating measures for the negative social impacts are taken in a systematic and comprehensive manner.	
FME response	

<i>(including any evidence submitted)</i>	
SCS review	The actions adopted to comply with this CAR will be checked during December 2013 audit scheduled.
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2012-2	
Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Other deadline (specify): without deadline
FSC Indicator:	P7.c1.i2
Nonconformity: The different documents pertinent to the forest management plan from Amapá region do not address the designation of 5% of the areas as absolute reserve.	
Corrective Action Request: The organization 's forest management documents shall be updated in order to include in them the description of 5% of the areas that had assigned as absolute reserve.	
FME response <i>(including any evidence submitted)</i>	
SCS review	The actions adopted to comply with this CAR will be checked during December 2013 audit scheduled.
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

4.2 New Corrective Action Requests and Observations

Finding Number: 2013-01	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	P1.c1.i1
<p>Nonconformity: It was verified, during the audit, that the company did not abide by the forest management legislation regarding product list on the transport document for logs found at the logyard. Log lengths, as indicated on the transport list, did not match the real measurement on any of the samples taken for verification. The observed differences were always to a higher value than the measurements indicated on the transport list (variation from 30 to 60 cm). This non-conformity interferes with log volume control.</p>	
<p>Corrective Action Request: Ensure the observation of the legislation regarding log measurement so that measurements as indicated on the transport list correspond to the real physical measurements of the logs.</p>	
FME response <i>(including any evidence submitted)</i>	The problem was isolated and the team was trained to perform correct measurements starting in November. All logs found on the logyard were remeasured and correct measurements were recorded in the system. Also, a monitoring system was adopted to verify log length.
SCS review	<p>It was verified that all logs found at 108 and São Miguel logyards were remeasured and the correct lengths were recorded. Log lengths were verified also on skid-yards visited during the audit and observed that the real lengths were recorded. It was also observed that these measurements were updated and are under weekly audit by Jari Florestal team. All logs found in the field were identified in MANSUS system and it was possible to check the lengths shown in the system to be the same as those measured in the field.</p> <p>Field teams were trained to perform correct measurements of log length. The training was recorded on the Technical and Operational Adjustment (ATO) by Solução company. The training included the field supervisor and the persons in charge of felling, bucking, skidding, and classification, as well as four transport list controllers and 27 field workers. According to ATO records, the training included 1 h for the theoretical part and 4 h of field work for practical adjustments.</p>

	The training of the teams offered through the ATO was confirmed through interviews with persons in charge of operations and workers in the field and at logyards.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2013-2	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	P5.c1
Nonconformity: Changes were made in management operations such as reduction in number of species harvested, volume per hectare, and increase of 100 % in annual harvesting area. Also, pre-harvesting (hollow log test) and long log skidding operations were added. No study was presented on the economic feasibility or on the business sustainability on a medium run for the implementation of these changes.	
Corrective Action Request: Present results of studies showing that the changes in the management ensure the sustainability of the business on a medium run.	
FME response <i>(including any evidence submitted)</i>	<p>The size of UPA 08 nearly doubled in comparison to UPS 07 and the same is true for volume of AUTEF. However, the production (Effective and AUTEF in m³/ha, except non-commercial) in UPA 07 was higher than the projected for UPA 08. This shows that the increase in area of UPA 08 led only to increase in harvested volume and no gain in productivity in terms of m³/ha.</p> <p>FRM Brasil performed an analysis of 2012 harvest in UPA 07 and observed that of 28 harvested species, four (acariquara, amapá-doce, sapucaia, and taxi) represented a low volume. Therefore, these species were excluded from the 2013 harvesting and a criterion was adopted to select only species with a minimum of 100 m³.</p>

SCS review	The company presented a study showing that the increase in area was specific to the year 2013. Moreover, it was shown that reduction in harvested volume is due to a better selection of harvested trees and species. Also, a financial statement was shown, indicating the economic viability of the management with the implementation of changes in some of the management operations.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

Finding Number: 2013-03	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	P6.c5
<p>Nonconformity: In June 2013, the company changed its management system by contracting services to plan and implement native forest management. It was observed that there was no transition period for the new managers to adapt to the forest management operation system under way. The urgency in the process led to lack of planning of forest operations and caused several impacts in harvest areas such as:</p> <ul style="list-style-type: none"> - According to the POA, log bucking should be performed on site seven days after felling. However, the information recorded in MANSUS system indicates that, in several cases, the period of seven days from felling to bucking was not properly followed; - At the operation site, it was observed that long logs have been skidded and bucking took place at the logyard or at the main skidrow; this operation has been done even with large (diameter) trees, thereby making it difficult for the skidders to maneuver, and causing serious environmental impact in the skidding operation; <p>- In several locations, a large accumulation of branches and litter was observed along the main skidrow. This suggested that logs were skidded with all or part of the branches on. This strategy causes significant environmental damages (on the soil and on the remnant forest).</p>	

Corrective Action Request: Review the operational procedures in order to minimize damages to the forest during harvesting.	
FME response <i>(including any evidence submitted)</i>	The procedures were reviewed and long log skidding was banned. Workers were trained on changes in operational procedures and operation monitoring was implemented.
SCS review	It was verified that log bucking is being performed on site, seven days after felling, as informed in the MANSUS system. This was confirmed in interviews with workers in skidding and bucking operations. As observed, logs are being bucked and skidded with a maximum length of 16 m. No more accumulation of branches and litter were observed along skidrows. Also, training and monitoring records of operations were verified.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2013-04	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	P7.c1.i11
<p>Nonconformity: It was observed that the company did not plan or map the logyard opening during the 2013 harvest. This has caused lack of control in management operations such as:</p> <ul style="list-style-type: none"> - lack of records on quantity and spatial distribution of yards; - bad planning (dimension) of logyards, considering the stocked volume and the large length of logs; - difficulty in tracing the destination of the logs to the yards. E.g., by tracing a felled tree, it was observed that log A was sent to yard 03 and log B to yard 7; moreover, it was not possible to locate 	

<p>these yards on maps;</p> <p>- pressure on the remnant forest.</p>	
<p>Corrective Action Request: Present planning and mapping of logyards so that their spatial and volume controls are possible, as well as the tracing of logs.</p>	
<p>FME response <i>(including any evidence submitted)</i></p>	<p>All logyards were georeferenced. The base and top skidding system was banned and the former system was resumed. Bucking and general classification are being performed on site, as previously done.</p>
<p>SCS review</p>	<p>The georeferencing of all logyards was verified on maps presented by FRM for 2013 harvest, UPA 08. The spatial distribution of logyards is done according to an innovation, named skid polygon, introduced by FRM. This distributes the logyards based on log volume, of 300 m³ on average per yard. With this, maps are generated for pre-harvesting, felling, skid planning, and skidding. The dimension of yards continues the same, around 625 m². But the logs are now classified and bucked into smaller dimensions to be stored at the yards. It was observed in the field that all logs from the same trees within a skidding polygon are hauled to the same yard.</p>
<p>Status of CAR:</p>	<p><input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)</p>

<p>Finding Number: 2013-05</p>	
<p>Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation</p>	
<p>FMU CAR/OBS issued to (when more than one FMU):</p>	
<p>Deadline</p>	<p><input checked="" type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):</p>
<p>FSC Indicator:</p>	<p>P7.c7</p>
<p>Nonconformity: Significant problems were verified in implementation of management activities. The local coordination of forest management is under total responsibility of a contracted company, which started its activities in June 2013 and there is no local management with capacity to supervise the</p>	

contracted management. In forest management in other States, the contracted manager is subordinated to the contract manager. Moreover, the contract does not include internal or external auditing of the management.	
Corrective Action Request: Define strategies for the local management of contracted companies to implement forest management.	
FME response <i>(including any evidence submitted)</i>	It was defined that FRM Brasil is subordinated to the Forest Operations Manager for operational issues, and to the Environment and Sustainability Manager for issues on environment and certification.
SCS review	As observed, an organization chart was developed in which it was defined that FRM Brasil is subordinated to the manager of forest operations for operational issues, and to the environment and sustainability manager for environmental and certification issues.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2013-06	
<i>Select one:</i> <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	P8.c1.i1, P8.c1.i2
<p>Nonconformity: The monitoring of environmental damages caused by forest activities in felling, bucking, and skidding encourage operational improvements and ensures sustainability of the venture. Within the operation system at POA 08, monitoring of damages started two months after the beginning of the forest operation and the predicted target was not attained. After the belated beginning of the monitoring, damage reports are being generated, but there is no report on how mitigation measures to the impacts are implemented. It was, also, noted that the reports on damages do not reflect the real environmental damages observed in the forest, such as excessive clearing of vegetation by the skidding operation as well as by the felling of trees; accumulation of residues along skidrows, and opening of</p>	

ditches on the soil.	
Corrective Action Request: Perform monitoring of damages caused by forest activities and present reports showing real damages observed in the field, as well as measures to minimize these impacts.	
FME response <i>(including any evidence submitted)</i>	<p>Adjustments were made to damage monitoring procedures and monitoring teams were trained. The procedure includes:</p> <ul style="list-style-type: none"> a) Field control on impacts of forest harvesting in the Annual Production Unit; b) Cartographic analysis of the harvesting impacts; c) Identification of problems and possibility of improvements along the forest production chain; d) Transmission and review with JARI FLORESTAL of identified problem spots and proposals for improvement; e) Editing of new procedures and adjustments on implemented procedures in function of identified problems; <p>Advising and control of field teams in function of elaborated procedures.</p>
SCS review	<p>FRM Brasil made adjustments to the monitoring procedures and trained monitoring teams. This was verified through records, reports and graphs of monitoring history by activity (road, logyard, felling, skidding, and biomass). Starting with the new method, damages to the affected areas by roads, forest clearing for felling, skiddrow width, and damages to the vegetation by skidding are being evaluated. Also, mitigation measures for negative impacts are being implemented.</p>
Status of CAR:	<p><input checked="" type="checkbox"/> Closed</p> <p><input type="checkbox"/> Upgraded to Major</p> <p><input type="checkbox"/> <i>Other decision (refer to description above)</i></p>

Finding Number: 2013-07	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	P8.c3
Nonconformity: The information entered in the traceability control system does not match the real situation found in field operations. It was observed on site that a large number of logs recorded in the system as being in the bucking stage in the forest was, in fact, stored at the logyard 108, which is not mentioned in the system. This indicates loss of log traceability and the warranty of the origin of logs is put to risk.	
Corrective Action Request: Develop a system to ensure the traceability of the logs stored at logyard 108.	
FME response <i>(including any evidence submitted)</i>	All movement of logs to logyard 108 was held. Logyard 108 was registered in the system as a yard for short removal. All logs were remeasured and classified. Information on logs were entered into the system, indicating that these are found in the short removal yard. All logs leaving logyard 108 toward São Miguel yard is checked at the entrance and compared with the status in the MANSUS system.
SCS review	It was observed that logyard 108 was included in the MANSUS system as a short removal yard. All logs seen at yards 108 and São Miguel were checked in the MANSUS system. This ensures their traceability.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

5.0 STAKEHOLDER COMMENTS

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:

1. 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.
2. 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:

5.1 Stakeholder Groups Consulted

FME managers and employees
Forestry Advisors
Service provider companies
Neighboring land owners
Local and regional civic, and social interest organizations
Other relevant groups

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. 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.

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

FME has not received any stakeholder comments from interested parties as a result of stakeholder outreach activities during this annual audit.	<input type="checkbox"/>
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The table below summarizes the main comments received from stakeholders consulted. It will be evaluated by the auditors team in audit scheduled for December 2013, in which a deeper social analysis will be performed.

Stakeholder comments	SCS answer
Economic issues	
The company is reviewing the operations management to improve economic performance. They are also	

looking for new product development.	
Social issues	
Union negotiations are held with representatives of the company that are packed in São Paulo and doesn't understand local needs.	
The company has been selling wood logs causing a significant reduction in hand labor used in forestry and sawmill.	
The reduction of mill workers and the need for replacement of hours after the strike done in May/13, there is a work overload.	
Jari company does many researches in partnership with environmental and social entities. That strengthens the projects developed in the environmental and social areas	
There is a movement of deforestation people in the region, damaging ancient communities. Some company's areas are being invaded.	
Jari Foundation, in partnership with the CRAS, has provided courses and training to the sons of former community, contributing to the training of these young people.	
With the production stop on the pulp mill, the company has cut employee health plans.	
In a meeting held on October 25, 2013, the Agrarian Public ministry of Pará State expressed concerns related to	The Agrarian Public Ministry of Pará has told sending the minutes of the meeting held with the Sysflor and copy of the work performed by the technical report of the Public

<p>land issues and mistreatment in repossession processes by Jari and several processes open against the illegal occupation of the lands.</p>	<p>Prosecutor in the region. The meeting was recorded by Agrarian MP. By the date of the field audit was not received that material. The concerns will be addressed in the audit which will be held in December 2013.</p>
<p>Environmental issues</p>	

6.0 CERTIFICATION DECISION

<p>The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship standards. The SCS annual audit team recommends that the certificate be sustained, subject to subsequent annual audits and the FME’s response to any open CARs.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>Comments: Due to the 7 major CARs identified in forest management during the special audit, SCS-FM/COC-00075N certificate was suspended. The company has implemented all necessary measures to comply with the CARs and the reestablishment of compliance with the standard actions. Thus, the audit team concluded that the certificate must be activated again.</p>	