FSC CERTIFICATION SYSTEM
CERTIFICATION PUBLIC REPORT
FOREST MANAGEMENT CERTIFICATION

Report finalisation date: 13 November 2014

CENIBRA CELULOSE NIPO-BRASILEIRA S.A
Forest location(s): Rio Doce, Guanhães and Nova Era Administrative Regions.
Manager office address: BR 381, km 172
Postal code: 35196-000 - Town: Belo Oriente -MG - Country: Brazil
Contact Person: Sandro Morais Santos – Manager.
E-mail: sandro.morais@cenibra.com.br

Bureau Veritas Certification
60 avenue du Général de Gaulle - 92046 Paris - La Défense Cedex - FRANCE
Tel: + 33 1 41 97 02 05 - Fax: + 33 1 41 97 02 04
www.bureauveritas.com/certification
Contact Person for Americas: Melani Potts (melani.potts@us.bureauveritas.com)
* For Lead auditor information, please refer to main audit / annual surveillance audit report

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1 - Description of the applicant forest entity

1.1 - General description and identification

Forest Management company / manager(s) name: Celulose Nipo Brasileira – CENIBRA S.A.

Address: BR 381, Km 172
Postal code: 35196-000
Town: Belo Oriente, Minas Gerais
Country: BRAZIL
Legal status: S.A.
Legal Identification code: 42278796/0001-99
Telephone: +55 31 3829 5010
Fax: +55 31 3829 526
E-mail: comunicacao@cenibra.com.br
Web site: www.cenibra.com.br

Employees number: 743 employees
Annual turnover: US$ 816.895 mil

President of the Forest Management company: Mr Paulo Eduardo Rocha Brant
Manager of the Forest Management company: Mr. Luciano Amaral Rodrigues
Contact person (responsible for FSC certification): Mr. Sandro Morais Santos
FSC trademark responsible: Mrs. Maria José Oliveira Fonseca

Activity

Type: Management of eucalyptus plantations producing wood as to supply the industrial plant for pulp production

Detailed activity:
CENIBRA - Celulose Nipo-Brasileira S/A, was founded in 1973 by Vale do Rio Doce Company, dedicated to mining, and Japan Brazil Paper and Pulp Resources Development Co. Ltd. - BJP in the region of Vale do Rio Doce, eastern of Minas Gerais. The company began operations in 1977. Since the year 1983, the company Floresta do Rio Doce was responsible for timber supply industry. Thereafter, the supply began to rely on raw materials from plantations in Cenibra.

To form its eucalyptus plantations, the company used financing from the World Bank, obtained in the context of the Forestry Development Programme in the State of Minas Gerais - the Profloresta. The plant was funded by the National Bank of Economic and Social Development - BNDES. Since 2001, Japan Brazil Paper and Pulp Resources Development Co. Ltd. (JBP), assumed full control of the company stock, as Company Vale do Rio Doce was privatized and decided to sell its holdings in forestry. JBP is formed by the major pulp and paper companies in Japan, led by Oji Paper Co. Ltd., Itochu Corporation and by the Japan Bank for International Cooperation - JBIC.

The company is now one of the world's largest producers of bleached hardwood eucalyptus. Its annual production is approximately 1.2 million tons, of which...
94% is allocated to foreign markets (Europe, Asia, North America and South America).

The company’s headquarters and plant are located in CENIBRA Belo Oriente - MG, 236 km from Belo Horizonte. The areas that make up the Forest Management Unit (FMU) CENIBRA are divided into 54 municipalities of Minas Gerais, organized into three regions (Rio Doce, Guanhães and Nova Era). The area itself and the leased area totaling 255,271.70 hectares, being 128,972.09 hectares of Eucalyptus spp and 126,299.61 hectares of Legal Reserves, Conservation Areas and basic infra-structure. Annual production is around 4,797,000 cubic meters of wood.

The plant is fueled with wood from owned and leased areas, and wood purchased from small producers in development system (which represents about 8% of timber consumed in the industry). The annual consumption is around 4,775,000 m³ of wood. The wood that is placed on the Pulp Mill is part of the FSC Chan of Custody Certification.

Forest logging authorised company name: same as above

Ownership

The company owns 255,271.70 ha of land divided in 3 regions (Rio Doce, Nova Era and Guanhães) and manages 1,934.47 ha under rental agreements. From the areas included in the scope of the certification, 244,719.09 ha are described as own land and 1,665.43 ha are under rental agreements. The rental agreements allow CENIBRA to perform all operations as well as FSC certification. The land owners have some requirements like prevention of fires, cattle grazing restrictions. CENIBRA is carrying out activities in these with the same principles as the company’s own lands.

1.2 - Forest population(s) description

Forest(s) description

Forest zone: Tropical

List of main commercial timber and non-timber species included in the intended scope of certificate (botanical name and common trade name): Eucalyptus spp. – Gum tree

Dominating forest stand composition: hardwood

Location of the forest:
- Private land: 18º29’25” S to 20º15’52” S and 42º07’50” W to 43º35’58” W
- Rental Agreements: 18º,32’ 04 32” S to 19º,16’ 51 28” S and 43º,01’ 18 10” W to 42º,21’ 20 57” W

Total audited forest area: 244,719.09 ha, of which is:
- privately managed: 244,719.09 ha (243,053.66 ha owned and 1,665.43 ha leasing)
- state managed: 0 ha
- community managed: 0 ha
- timber production forest: 126,684.15 ha
  - classified as "plantation": 126,684.15 ha
- regenerated primarily by **replanting** or by a combination of replanting and coppicing of the planted stems: 0 ha
- regenerated primarily by **natural regeneration**, or by a combination of natural regeneration and coppicing of the naturally regenerated stems: 0 ha

- forest and non-forest land protected from commercial harvesting of timber and managed primarily for
  - conservation objectives: 103,270 ha (25,665.59 ha of Permanent Protected Area + 77,604.35 ha of Legal Reserves)
  - the production of NTFPs or services: 0 ha
  - Infra-structure: 14,764.94 ha

- forest classified as "high conservation value forest": 697.45 ha

**List of high conservation values present:**

The attribute of high conservation value for HCVF called “RPPN Fazenda Macedônia” was defined due to its important area for the reintroduction of threatened bird species, located in Rio Doce Region, city of Ipaba-MG.

**List of chemical pesticides used within the forest area, and reason for use:**

List of pesticides used attached. The company has been granted of a derogation for the following chemicals:

- FSC-DER-30-001-Brazil Deltamethrin 2009
- FSC-DER-30-001-Brazil Fipronil Ants 2009
- FSC-DER-30-001-Brazil Fipronil Termites 2009
- FSC-DER-30-001-Brazil Sulfuramid 2009
- Triadimenol – Derogation applied and under assessment by FSC. The company no longer uses Triadimenol in its nursery since 2010, and it was replaced by a national product based on Trifloxystrobin and Tebuconazole as active ingredients.

The documents related to Derogation and pesticides used, as well as the declaration of banning the use of Triadimenol are showed on Appendix E. The Deltamethrin product (decis) was not used in 2010, as shown in the pesticide consumption graphic attached.

The company has implemented a policy to reduce the use of chemicals. In 2010, it was recorded the smallest amount of pesticide use since 2005 for nursery activities.

Cenibra is part of a group of companies in Brazil that have applied for chemicals derogation. It has also contracted a consultancy organization to help the implementation of derogation requirements and to find out alternative products less harmful for the environment, in accordance with FSC pesticide policy.
Detailed Description of the Regions from the Forest Management Units (FMU’s)

<table>
<thead>
<tr>
<th>Description</th>
<th>Ownership</th>
<th>Area (ha)</th>
<th>Latitude N/S</th>
<th>Longitude E/W</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region 01 - Rio Doce Region/ Belo Oriente.</td>
<td>Private (owned)</td>
<td>43,850.10</td>
<td>properties between the coordinates 19°14'40,144&quot; S to 19°51'31,04&quot; S</td>
<td>properties between the coordinates 42°31'29,049&quot; W to 42°17'13,828&quot; W</td>
</tr>
<tr>
<td>Region 01 - Rio Doce Region/ Ipaba.</td>
<td>Private (owned)</td>
<td>36,760.65</td>
<td>properties between the coordinates 19°14'45,981&quot; S to 19°51'30,931&quot; S</td>
<td>properties between the coordinates 42°31'30,401&quot; W to 42°17'23,836&quot; W</td>
</tr>
<tr>
<td>Region 02 - Guanhães Region / Sabinópolis.</td>
<td>Private (owned)</td>
<td>38,831.55</td>
<td>properties between the coordinates 18°13'37,331&quot; S to 18°57'45,227&quot; S</td>
<td>properties between the coordinates 43°13'14,731&quot; W to 42°44'7,206&quot; W</td>
</tr>
<tr>
<td>Region 02 – Guanhães Region/ Virginópolis.</td>
<td>Private (owned)</td>
<td>25,126.55</td>
<td>properties between the coordinates 18°30'47,267&quot; S to 18°50'10,453&quot; S</td>
<td>properties between the coordinates 42°42'54,827&quot; W to 42°21'17,19&quot; W</td>
</tr>
<tr>
<td>Region 03 – Nova Era Region/ Cocais.</td>
<td>Private (owned)</td>
<td>39,925.98</td>
<td>properties between the coordinates 19°16'16,376&quot; S to 19°32'44,562&quot; S</td>
<td>properties between the coordinates 42°59'88&quot; W to 42°38'39,735&quot; W</td>
</tr>
<tr>
<td>Region 03 - Nova Era Region / Piracicaba</td>
<td>Private (owned)</td>
<td>23,214.27</td>
<td>properties between the coordinates 19°27'10,399&quot; S to 19°50'35,342&quot; S</td>
<td>properties between the coordinates 43°18'6,029&quot; W to 42°42'11,378&quot; W</td>
</tr>
<tr>
<td>Region 03 - Nova Era Region/ Santa Bárbara.</td>
<td>Private (owned)</td>
<td>35,344.56</td>
<td>properties between the coordinates 19°42'32,088&quot; S to 20°15'57,893&quot; S</td>
<td>properties between the coordinates 43°35'50,091&quot; W to 43°11'44,013&quot; W</td>
</tr>
</tbody>
</table>
Partial certification or exclusion of area from the scope of the certificate

The areas to be excluded are considered FMUs that are under land title regularization and no controversial activity was evidenced during the audit or by previous audits performed by the previous certification body. Thus, regarding the FSC policy on partial certification (FSC-POL-20-002), the total area of 10,283.7 ha was not included in the scope of the certificate; consequently, Cenibra is applying for a Partial Certification. The areas excluded from the scope are managed the same way as the certified forests.

The company owns 255,271.70 ha of land divided in 431 FMUs divided in 3 regions, where 253,337.23 ha are own lands and 1,934.47 ha are under rental agreements. From those, only 243,053.66 ha of own land and 1,665.43 ha of rental agreements are included in the scope of the certification (the activities are performed with the same principles as their own lands).

- Explanation of the reason for not inclusion.

Nevertheless, the company has decided to remove from the scope of the FSC certificate 10,283.57 ha of its own land and 269.04 ha of rental agreements due to an undergoing regularization regarding ownership documents and licenses. The company is willing to include these areas as soon as the documents are completely regular. In this regard, the total area to be included in the certification scope is 244,719.09, as shown in the Table 1 below:

Table 1: Cenibra’s land ownership

<table>
<thead>
<tr>
<th>Land ownership</th>
<th>Total (ha)</th>
<th>Plantation (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC Certified own land</td>
<td>243,053.66</td>
<td>125,462.01</td>
</tr>
<tr>
<td>FSC Certified rental agreements</td>
<td>1,665.43</td>
<td>1,222.14</td>
</tr>
<tr>
<td><strong>Total of FSC certified lands (ha)</strong></td>
<td><strong>244,719.09</strong></td>
<td><strong>126,684.15</strong></td>
</tr>
<tr>
<td>Not Certified own land</td>
<td>10,283.57</td>
<td>2,032.44</td>
</tr>
<tr>
<td>Not Certified rental agreements</td>
<td>269.04</td>
<td>255.50</td>
</tr>
<tr>
<td><strong>Total (ha)</strong></td>
<td><strong>255,271.70</strong></td>
<td><strong>128,972.09</strong></td>
</tr>
</tbody>
</table>

- Evaluation of controversial activities occurring in the areas not included in the scope (compliance with Principle 1 and long term commitment towards FSC)

No controversial activity was evidenced by the audit team.

- Description of the controls that are in place to prevent confusion being generated as to which activities or products are certified, and which are not (in the chain of custody process in particular).

The wood supply is identified as certified or not. Volumes to be harvested from each stand/FMU are known from inventories. Therefore when the FMUs are harvested the expected volumes of FSC certified and non-FSC certified are known and verified at the entrance of the gate mill.

- Specific commitments made by the entity towards FSC
The company stated in its management plan and website that is FSC certified. Operational procedures address the FSC requirements, and the management system in place for uncertified areas is the same as the one for the certified areas.

- Stakeholder consultation about the areas not included in the scope.

The areas were acquired after the certification and are under land tenure regularization. As soon as the documents are in order, it will be included in the scope of certification and a public consultation of these areas can be evaluated by the audit team. Cenibra manages these lands with the same practices as FSC certified areas.

1.3 - Certification application type

Type of certificate: Multiple FMU
Normal
Total number of FMUs in the certificate scope: 431 FMUs (farms) divided into 03 Administrative Regions.
Number of FMUs and forest area in scope that are:

- less than 100 ha: 43 FMU that is 2,914.19 ha;
- from 100 to 1,000 ha: 306 FMU that is 127,392.3 ha;
- from 1,000 to 10,000 ha: 82 FMU that is 114,926.05 ha;
- more than 10,000 ha in area: 0 FMU that is 0 ha.

meeting the eligibility criteria as SLIMF: 0 FMU that is 0 ha.

1.4 - Forest management system and plan description

The company has a management system well in place and is ISO 9001, ISO 14001, PEFC and FSC certified. This system is very complex, with written procedures and well implemented and monitored.

There is a pre-cut continuous inventory system, with permanent sample plots, by which the production is estimated and that subsidizes management decisions (new planted areas, plantation in cultivated areas, harvesting).

An ongoing project will establish a Health & Safety Management System, by 2012. This system probably will adopt the norms and purpose of Occupation Health & Safety Advisory Services (OHSAS) 18001 and in future, perhaps will be certificate in this organization too.

The strategic planning (with a 21 years horizon) is carried out based on the demand for cellulose production. Long term assumptions are made, such as production of wood, percentage of supply with the company’s own wood (and from forest incentive program or supplies from the market), definition of minimal stock of standing wood, acquisition, demobilization and substitution of lands.

Based on the long term assumptions, the company does it tactical plans (4 years horizon) and operational (18 months horizon).

For the Strategic Planning, a support system (PANFLOR) is used, which applies linear programming to optimize the sequence of activities on the forest process.
For the tactical planning, the SPMP – Medium Term Planning System, in Portuguese; and for the operational planning, the SPCP – Short Term Planning System, is used.

This way, the sustainability of the project is guaranteed in terms of harvest programs generating a planting program with sufficient areas to supply the demand from the factory on the long term.

Figure 1: Cenibra regions. In blue: Nova Era Region; in orange: Belo Oriente Region and; in yellow: Guanhães Region.

Forestry principles: The total supply of wood is done by clear-cut of even-aged stands of *Eucalyptus* spp. The average rotation cycle is 7 (seven) years, which
can be further, reformed for one more rotation (resprouting), according to “P0436 v4 - Criterion management after the first rotation”.

**Summary of the management plan:**

**Forest Description and Operational Activities**

Operational activities comprises the following main phases: Planning Technical, Economic, Environmental and Social forestry projects - PTEAS (Procedure 0331 v9), Seedling Production (Procedure 0373 v14), Implementation, and Maintenance Reform / Forest Regeneration (Procedure 0371 v13), Construction, Reopening and Maintenance of Roads (Procedure 0535 v11) and Forest Harvesting (Procedure 0632 v6). For better performance, operations act simultaneously on the process of timber production (Forest General Plan Process: M0001) and the activities are standardized in all districts of the company, and procedures are in place to perform each one.

As part of the management plan and related to internal audit and the management system, as well as the operation/product quality, the entire production process is systematically inspected to ensure the product's intrinsic quality, according to standard operating procedures for each operation. The risks to health and safety and environmental aspects are observed in accordance with the procedures P0398 v11 (Emergency Management - Industrial Process) and P0401 (Safety Management for Prevention of Environmental Risks).

**A) Forest Planning**

The strategic plan aims to leverage the favorable conditions and minimize the adversities. For that, Cenibra has defined a Long Term Planning (21 years) Mid Term Planning (4 years) and Short Term Planning (18 months). In addition, the company also performs the PTEAS (Technical, economical, environmental and social planning).

**PTEAS - Technical, economical, environmental and social planning**

According to the Management Plan, PTEAS (procedure P0331 v9) is prepared in a participatory and inter-department manner and used to ensure that the economic principles of quality and respect for the environment are taken into account when planning the deployment activities, and procurement reform.

The planning starts with a field survey carried out by supervisors and monitors, before harvest, which are discussed and located on maps. Relevant aspects regarding the leasing of roads, paths and streams grinding load, among others) are taken into account. It is identified the main technical limitations (rocky outcrops, difficult access, narrow slope, among others), environmental and legal restrictions (environmental liabilities related to the areas of legal reserve and permanent preservation areas susceptible to erosion, and sites of historical value Ecological, cultural, religious or archaeological), and the demands or needs of society (in the vicinity of settlements are considered aspects of dust generation, visual impact, risk of accidents, water bondage, among others).

The changes under PTEAS analysis are incorporated into the micro-planning to harvesting and forestry, and feed the forest registration system. Throughout the cycles of forest, the PTEAS is a source of record and monitor changes in forest management.
B) Inventory

The efficient use, conservation and management of forest resources require quantitative and qualitative characteristics of forests and continuous surveillance of its yield (m³ / ha / year). This knowledge is possible by means of forest inventories, a technique that uses data from the population (samples) to generate estimates for the entire forest stand. The main activities conducted by the measurement area in the forest CENIBRA are:

- Survival Inventory
- Forest Inventory - Pre-Cut (IFPC)
- Continuous Forest Inventory
- Modeling the Growth and Production of Prognosis

C) Nursery

The nursery shows an annual production capacity of 24 million seedlings. Located about 2 (two) miles from the Industrial Unit of the Company, the complex structure allows the control of production factors such as temperature, humidity, light, nutrients and water. The genetic material is originated from the breeding program and Clonal Development Company, the seedlings are grown in plastic pots with a substrate of vermiculite, carbonized rice hulls and coconut fiber, are handled and prepared for planting according to procedure P0373 v14 (Seedling Production Clonal Eucalyptus).

D) Silviculture

The operational areas are previously assessed by the PTEAS. The sequence and intensity of the performance of forestry operations depends on factors such as soil type, productivity and genetic material from the previous cycle, slope, soil and climatic conditions of the area, among others.

The Procedure for Quality Control Silvicultural Operations is implemented by sub contractors, and those are responsible for carrying out each operation, recording each control and subsequent decisions, if necessary.

Subcontractors use Cenibra procedures when performing operational activities, which is verified by Cenibra’s employee. Nevertheless, subcontractors also have their own procedures, which are also developed in partnership with Cenibra, when necessary. Worker’s rights are closely verified by the Health and Safety Department of Cenibra.

Below is listed each of these operations, and technical recommendations for the completion of each are made annually by the department of forestry research and development.

- Mechanical and Chemical Mowing
- Ant Control
- Lowering of stumps
- Herbicide
- Application of fertilizer and lime
- Subsoiling
- Alignment and tagging
- Tillage
- Planting
- PTEAS
- Irrigation
- Construction / maintenance of fences
- Construction / maintenance of firebreaks
- Clean stump
- Mowing / sprout thinning

**E) Harvesting**

The supply of 100% eucalyptus wood is done with the system of forest clearcutting on average 7 (seven) years, with further reform or regeneration management for more than one rotation (P0436 v4 - Criterion management after the first rotation). The harvest of the fields is done in a mechanical or conventional, the first of which corresponds to approximately 60% of the area. For mechanical harvesting are used feller-buncher, skidder, claw-tracer, Harvester and Forwarder. The conventional crop cutting is accomplished with the use of chainsaws. The harvested wood and buckets are transported to the plant in Belo Oriente by trucks.

Mechanized harvesting is made by Cenibra employee, while semi-mechanized (chainsaw) is made by subcontractors. Semi-mechanized activities are performed when the topography does not allow Harvesters or Feller-Bunchers in the field.

**F) Man Power**

CENIBRA adopts a mixed model for the use of manpower in the development of operational and support activities (silviculture, harvesting, infrastructure, topography). Those activities in which the manpower comes from third party contracts are established and managed in order to ensure compliance with labor laws, safety and occupational health.

The monitoring of compliance to what was stated in the contract is made by a team of CENIBRA as established in the procedure (in Integrated Audit Contractors, P0556 v4). The main motivation for outsourcing is the existence of companies specializing in certain activities that perform with quality.

**Forest Resources**

**A) Planted Forests**

The document "Annual Report on Wood Supply - 2011 / 2010 base" which presents the long-term planning for harvest and planting is available at the Department of Planning.

**B) Forestry Incentive Program (Fomento)**

In the Forestry Incentive Program (Social Community Related Programme), 902 farms are participating, and considered as lands from small farmers that live in the region. These people are participating in Cenibra’s social program, where the company provides seedlings and inputs as well as financial resources to the participants who signed the contract. The program provides the setting of man in the field, and an alternative income for the farmer.

The technical assistance provided by the company assures that all participants have the knowledge necessary for successful planting, achieving productivity, quality and profitability
in the business. The landowner agrees to implement the planned activities within the
technical recommendations in accordance with the signed contract, being also responsible
for informing the IEF (State Forest Department) and CENIBRA about any abnormalities. In
the contract, Cenibra takes care of the operational procedures until the second year after
planting and the landowner is then in charge of the silviculture until the harvesting period.

The Forestry Incentive Program is in place since 1985 and so far has worked closely to small
holders on 38,918 ha. These areas are not included in the scope of the certification.

C) Other Funds Handled

The eucalyptus trees that were previously established in riparian forests were determined by
the condition 05, from the License LO No. 020 (Environmental Permit on 12 September
2008) to be removed of these areas. The wood generated in this action is being partially
used as raw material for the manufacture of pulp (up to 45 cm diameter) and wood out of
specification is being marketed for use in construction, furniture industry and other uses in
solid wood region. There is also, through the Institute Cenibra, the donation of parts of larger
diameter and length for the construction of bridges and other uses by the communities.

All forests of the Company (plantation areas and native forests) are available for the
beehive activity, based on established partnerships with associations of beekeepers in
the region. In all, eight associations of beekeepers use areas of the Company, with about
500 families benefited.

In some areas, there is also the tradition of handmade straw that. The collection of thatched
indaiá palm in the region is considered a customary activity. CENIBRA provides access to
their areas by people traditionally involved in the production chain of crafts.

D) Protected Areas and Sites of Community Interest

Cenibra has a Natural Heritage Private Reserve – RPPN, in Fazenda Macedônio, considered
a private protected area recognized by IBAMA¹. This RPPN is considered a High
Conservation Value Forest (type 1 and 2).

Fazenda Macedonia has a total area 2,639.63 hectares, of which 1,006.54 ha are plantations
and about 50% are covered with native vegetation. Some of the area of native forests is one
of the main remnants of Atlantic Forest in the state, where part of this (697,45 ha) is
recognized by IBAMA, through Ordinance No. 111 of October 14, 1994, as a Private Reserve
of Natural Heritage – RPPN (Protected Area).

In Fazenda Macedonia the reintroduction of bird species threatened with extinction is being
developed since 20 years ago - the Mutum Project, developed through a technical
cooperation agreement between CENIBRA and CRAX - Society for Research on
Reproduction and Management of Wildlife, a non-governmental organization based in
Contagem - MG. Besides this project, 20 km of riparian forest were rehabilitated on the
banks of the Rio Doce.

The RPPN has a headquarters where activities of environmental education and research
support are carried out. The following infrastructure is in place: housing for researchers,

¹ The Brazilian Institute of Environment and Renewable Natural Resources
auditorium, barn ecological exhibition poultry incubators, baths, and area for play activities, ecological trails, plant nursery, orchard, and dam with internal walkway.

1.5 - Production and harvesting

<table>
<thead>
<tr>
<th>Specie</th>
<th>Product nature</th>
<th>Produced quantity</th>
<th>Selling mode</th>
<th>FSC type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eucalyptus urophylla x Eucalyptus grandis</td>
<td>Logs</td>
<td>4,505,822.10 m³ (from inventory records)</td>
<td>On wood yard</td>
<td>Pure</td>
</tr>
</tbody>
</table>

Approximate annual biologic production: 37 m³/ha/year (of round wood).
Approximate intended harvesting volume (annual allowable cut (AAC)): around 35 m³/ha/year
Approximate annual harvesting rate (AAC / total available volume): 0.94
Approximate annual commercial production of non-timber forest products included in the audit scope, by product type: 0 unit

The projection of growth lies in determining the future volume of forests based on attributes of the stand according to the present and future age, the basal area and site index, which indicates the field capacity of the forest. The growth models are obtained from different equations specific and the IFC historical data, providing significant data on harvesting age, economical advantages of the stands production and growth curves, which are used in the long-term planning. Activities undertaken to achieve the IFC and IFPC, such as allocation of plots, gathering and entering data, maps and notes on the basic rules for its implementation are described in the procedure v6 P0405 (Continuous Inventory and Pre-Cut)

2 - Legal, administrative and land use context

The legal demands from any management unit need environmental licensing processes from the authorized bodies which require environmental studies for the mitigating actions. Legitimate ownership of the land, leasehold contracts or concessions is required. The regularization follows determinations from the federal laws executed by the INCRA – the National Institute for the Colonization and the Land Reform and in the State of Minas Gerais where the management unit is located and the Department in Minas Gerais is the responsible body.

The environmental license for the implementation of forest projects follow the Forest Code established by the Brazilian Institute for the Environment and the Renewable Natural Resources linked to the Ministry of the Environment – MMA in the state of Minas Gerais. The actions are linked to the State Office for Environment and Sustainable Development – SEMAD, which transfers the environmental licenses to the State Institute of Forests – IEF.

Aspects related to the use of hydric resources such as the authorization for the use of the water is a federal authorization from the Office for Hydric Resources and Urban Environment linked to the MMA.

At a state level, the responsibility is from the Institute for the Water Management of the Minas Gerais State – IGAM linked to the SEMAD.
For alternative uses of the soil such as mining or the mines’ exploration, the DNPM – the National Department of Mineral Production linked to the Ministry of Mines and Energy, follows the Mining Code which it is executed by the FEAM – State Foundation for the Environment linked to the SEMAD. The most important legislations are listed below:

- Constitution of the Federal Republic of Brazil from 1988
- Law No 4.771 from 15/09/1965 – Institution of the Forest Code
- Decree Law no 227, 28/02/1967 – Institution of the Mining Code
- Decree no 24.643, 10/07/1934 – Institution of the Water Code
- Decree Law no 5.452, from 01/05/1943 – Consolidation of the Labor Laws – CLT
- Law no 6.938, from 31/08/1981 – National Policy for the Environment
- Law no 7.754, from 14/04/1989 – Measures for the Forest Protection in the river springs
- Law no 9.605, from 12/02/1998 – Law against Environment Crimes, Sanctions – Crimes against the environment

The list of agreements and international treats which Brazil is part of:


The list of endangered species can be found at:
  – MMA Standard Instruction No 08 from November 2005.

3 - Other activities

3.1 - Description of the activities

There is social project related to the fostering of small owners in the region of Boa Vista, Marcocem, Praia da Missa, Santa Bárbara. In total, there are 212.15 ha from Cenibra’s lands that were given to low income rural families for crop production. The 306 families included in the scope of the project produce corn, beans, cassava, banana, among others. The Rural Trade Unions, together with EMATER (governmental organization for rural technical assistance) and Cenibra, provide resources for the maintenance of the project.

The company’s own a small area (260.6 ha) with old Pinus sp. Plantation, spread out within Rio Doce (18.8 ha) and Nova Era (222.32 ha).

3.2 - Potential Impact on forestry
According to the area provided to the rural families and to the purpose of the gift, the negative impact is considered very low, since there is a positive benefit in food security for low income families. Furthermore, agricultural activities within these areas are mainly organic, and for their own use (subsistence) or for the local trade.

*Pinus* spp. plantations are not in use and are not considered harmful to the environment or community.

A. Transfer Audit

4 - Transfer Information

4.1 - Previous Scope of the certificate

The previous scope of the certificate was “Management of 245,232.54 ha of area, within 127,303.88 ha of *Eucalyptus spp* in Minas Gerais for production of round wood for supplying of the pulp mill of the organization”.

It is important to highlight that the current scope of the certification is 244,719.09 ha due to the selling of 500.53 ha to EGESUR Participações e Empreendimentos Ltda, on April 2010 (evidenced by contract), where it will be used to construct a residential settlement.

The company was firstly certified by another Certification Body on June 24th 2005 and recertified on August 12th 2010, where the operational activities were audited and the list of stakeholders was updated and enlarged.

4.1.1 - Geographical limitation at the level of the entity

Cenibra has 3 administrative regions: Rio Doce, Nova Era and Guanhães. These regions are in different geographical context, where Nova Era has a clear distinction between high land (Cocais) and low land.

4.1.2 - Limitation at the level of the forest products

*Eucalyptus spp.*, round wood.

4.2 - Certificate general information

4.2.1 - Previous certificate number

SGS-FM/COC-002167

4.2.2 - Certificate Validity

First issue date: 24 June 2005
Last issue date: 12 August 2010
Expiry date: 11 August 2015

4.2.3 - Last audit
Type of audit: Complementary Audit  
Dates: from the 21/March/2011 to the 22/March/2011

4.3 - Forest management referential used for the previous audit

The forestry company was audited against the forest management standard referenced as: Generic Forest Management Standard (AD 33-01), adapted to Brazilian plantations.  
This last version is available on the website www.sgs.com/forestry

5 - Reason for transfer

PRIVATE.

6 - Conclusion of previous audit

Cenibra was firstly certified on June 24, 2005 and was recertified on August 12, 2010. During the recertification process 2 (two) minor CARs were raised. A complementary audit was performed by the preceeding Certification Body on March 21st to 22nd 2011 where one Minor CAR was closed and another Minor Car remains open for further 12 months, due to the fact that a longer period of time is necessary to close this CAR, which is related to the construction of worker´s accomodation and provision of warm meals in all FMUs.

6.1 - Transfer process

Bureau Veritas Certification carried out the transfer of this Certificate by first contacting Cenibra, for then assessing documents and complaints. Bureau Veritas has planned and perfomed a transfer audit, including consultation with local stakeholders (Worker´s Trade Union, Manager of State Protected Areas and Communities). The scope of certification has slightly changed due to the selling of 500.53 ha of land for the construction of an urban settlement.  
Bureau Veritas contacted the preceding CB and the date of transfer agreed was set for June 30th, 2011.  
The next surveillance audit was planned to be performed on August 22nd to 26th, 2011.

6.2 - Previous audit conclusions

6.2.1 - Pending Major Corrective Action(s) Request(s)

There are no Major CARs pending.

6.2.2 - Pending Minor Corrective Actions Requests
Minor CAR N° | CAR | Standard requirement reference | Closure deadline required |
---|---|---|---|
02 | Accommodations and meals on the FMU do not comply with the code for health and safety practices on forestry operations. | 4.2.9 | Within 12 months (March 22<sup>nd</sup> 2012) |

Comments:
CAR 02: Meals temperature is monitored for other regions, but not for Cocais (Within Nova Era Region) and Guanhães. The methodology for food monitoring was sent for validation to the National Sanitary Agency (ANVISA) – response is still pending.

Regarding Worker’s accommodation, it was verified by the previous certification body that 16 new lodges were finished (suitable for 422 workers). According to Cenibra meeting minute, it is planned and quoted the construction of 10 lodges, covering accommodation for all workers in the region of Guanhães. The construction of the lodges was initiated but not finished yet. The conclusion is expected to be over by October 2011. Because of the long term needed to finish the construction, the previous certification body decided to allow Cenibra 12 more months to conclude the work and close the Minor CAR raised.

6.2.3 - Previous audit recommendations

The previous certification body considered that Cenibra’s forest management is able to be certified since:
- There is no pending Major CAR;
- Minor CARs raised do not preclude the certification, as long as it is verified by the next audit;
- The management system is capable of ensuring that all requirements are met and is consistently implemented over the scope of the evaluation.

7 - Base of evaluation

7.1 - Composition of the audit team

Lead auditor:
- Mr. José Ferraz, FSC FM qualified FSC FM lead auditor on behalf of Bureau Veritas Certification, Forest Engineer. Specialist in Social, Environmental and Public Policies. Sub contracted.

Auditors:
- Mrs. Maria Augusta Godoy, Forest Engineer, MSc. in Forest Ecology and Management, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Environmental Impact, Biodiversity and Protected Areas Specialist, employee.
7.2 - Forest management referential used for the transfer audit

For this transfer audit, we referred to the checklist SF03 FSC FM V1.0 extracted from the forest management referential RF03 FSC FM BV para Florestas Plantadas Brasil_v1.0 (Plantations), from November 2009. This last version has been updated and is available on the website, www.bureauveritas.com/certification or upon request to Bureau Veritas Certification.

7.3 - Referential adaptation and stakeholders comments

We made the adaptation from BV FSC FM generic standard, RF03 FSC FM referential - version 3.3, including indicators that best portray the national reality. The adaptation was made only for plantation certification.

We submitted the standard for the approval of the National Initiative, researchers attached to universities, research institutes, environmental agencies, NGOs, Environmental and Social Workers Unions and other stakeholders. There was a request for clarification from a researcher at the Federal University of Lavras - UFLA, regarding the use of biological control agents, but that did not imply a change in the standard. No other comments were given.

8 - Information collecting modalities

8.1 - Description of the audit program

| PRE-AUDIT |
|-----------|-----------|-------------|----------------|
| Person    | Date      | Time   | Place             | Activity                                                                 |
| JOF MPG   | 28/03/2011| am     | Travelling/Belo Oriente-MG | - Auditors’ travel  
- Arrival of the audit team at the company sites  
- First internal meeting of the team to prepare the Surveillance Audit  
- Organisation of the sites visit (forest farms, villages, logging sites, etc) |
<p>| JOF MPG   | 28/03/2011| pm     | Belo Oriente-MG    | - Opening meeting (presence of the managers and his staff; about 30 min) : Introducing BV, presentation of the team, explain the purpose of the Surveillance, short presentation of the company, confirmation of business confidentiality, presentation of the method of the audit and the information requested, agreed itinerary and accommodation organisation, confirm the availability of one or two appropriate member of the |</p>
<table>
<thead>
<tr>
<th>Person</th>
<th>Date</th>
<th>Time</th>
<th>Place</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28/03/2011</td>
<td>pm</td>
<td>Belo Oriente-MG</td>
<td>- Meeting with the forest management CENIBRA staff.</td>
</tr>
<tr>
<td>JOF</td>
<td>28/03/2011</td>
<td>pm</td>
<td>Belo Oriente-MG</td>
<td>- Principle 1 – Compliance with Laws</td>
</tr>
<tr>
<td>MPG</td>
<td>28/03/2011</td>
<td>pm</td>
<td>Belo Oriente-MG</td>
<td>- Review of action taken for the CARs resolution – SGS</td>
</tr>
<tr>
<td>JOF</td>
<td>29/03/2011</td>
<td>am</td>
<td>Belo Oriente-MG/Guanhães Region</td>
<td>- Complaints review&lt;br&gt;- Principle 3 and 4 - Social programs /Human Resources</td>
</tr>
<tr>
<td>MPG</td>
<td>29/03/2011</td>
<td>am</td>
<td>Belo Oriente-MG</td>
<td>- Document review : management plan, maps - Principle 7&lt;br&gt;- Nursery and Research) - (P 4 - C 4.2, P10 -C10.4)</td>
</tr>
<tr>
<td>JOF</td>
<td>29/03/2011</td>
<td>pm</td>
<td>Guanhães Region</td>
<td>- Forest Benefit and Social Projects – Principle 4 and 5&lt;br&gt;- Review of action taken for the CARs resolution</td>
</tr>
<tr>
<td>MPG</td>
<td>29/03/2011</td>
<td>pm</td>
<td>Belo Oriente-MG</td>
<td>- Principle 8 and 9 – Environmental Documents (Monitoring, HCVF,Fauna/Flora/Water Resources)</td>
</tr>
<tr>
<td>JOF</td>
<td>30/03/2011</td>
<td>am</td>
<td>Guanhães Region</td>
<td>- Workers Trade Union interview /Principle 10</td>
</tr>
<tr>
<td>MPG</td>
<td>30/03/2011</td>
<td>am</td>
<td>Ipaba Region</td>
<td>- Principle 6 - Harvesting e transport/Sub-contractors, planting, pesticide application</td>
</tr>
<tr>
<td>JOF</td>
<td>30/03/2011</td>
<td>pm</td>
<td>Guanhães Region</td>
<td>- Principle 4 and 10 – Workers Interview</td>
</tr>
<tr>
<td>MPG</td>
<td>30/03/2011</td>
<td>pm</td>
<td>Ipaba Region</td>
<td>- Principle 6 - Harvesting e transport/Sub-contractors, planting, pesticide application</td>
</tr>
<tr>
<td>JOF</td>
<td>31/03/2011</td>
<td>am</td>
<td>Guanhães Region</td>
<td>- Health and Safety – P4/Silviculture – P10</td>
</tr>
<tr>
<td>MPG</td>
<td>31/03/2011</td>
<td>am</td>
<td>Ipaba Region</td>
<td>- Forest Code (APP, Reserva legal) and Land Tenure&lt;br&gt;- Interview with Community Local Leader (Visit and interview of locals' stakeholders - P4 e P3)</td>
</tr>
<tr>
<td>JOF</td>
<td>31/03/2011</td>
<td>pm</td>
<td>Guanhães Region</td>
<td>- Waste management, pesticide deposit&lt;br&gt;- Derogation documents and actions</td>
</tr>
</tbody>
</table>
### PRE-AUDIT

<table>
<thead>
<tr>
<th>Person</th>
<th>Date</th>
<th>Time</th>
<th>Place</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPG</td>
<td>31/03/2011</td>
<td>pm</td>
<td>Ipaba Region</td>
<td>Interview with the Director of the Forest State Park (P1, 6 and 10)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- HCVF – Principle 9</td>
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<tr>
<td>JOF</td>
<td>31/03/2011</td>
<td>pm</td>
<td>Ipaba Region</td>
<td>- Interview with SINDEX-MG</td>
</tr>
<tr>
<td>MPG</td>
<td>01/04/2011</td>
<td>am</td>
<td>Belo Oriente</td>
<td>- Audit team meeting; final Wording of the Corrective action Request and other documents.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Intermediate meeting with the member of the company in charge of the certification.</td>
</tr>
<tr>
<td>JOF</td>
<td>01/04/2011</td>
<td>am</td>
<td>Belo Oriente</td>
<td>- Closing meeting. Presence of the management and his staff is requested. Presentation of the Corrective Action Request, Reminding of the procedure, conclusion of the Transfer audit, questions.</td>
</tr>
<tr>
<td>MPG</td>
<td>01/04/2011</td>
<td>pm</td>
<td>Travelling/Sao Paulo-SP</td>
<td>- Travelling (Belo Oriente to Sao Paulo)</td>
</tr>
</tbody>
</table>

### 8.2 - Documents review

- Registry of contaminated uniforms – sent to wash;
- MSDS from nursery chemical – pesticides;
- Management Plan;
- Water Withdraw Grant Resolution n°568/2008, volume: 8.807m³/h for 24 h. Valid until 2018;
- Procedure on Production of seedlings and eucalyptus - P0373-v15;
- Certificate IGAM n° 00020/2010, valid until 25/01/2015 - Tubular Well. First awarded in September flow (9 m³/h) for 12 h/day;
- Certificate IGAM n° 00388/2010, valid until 06/02/2015 - Well Tubular 1, flow granted 8.9 (m³ / h) for 12 h / day;
- Records of water monitoring (Café Stream) - upstream and downstream. No standard deviations were observed at the sites monitored;
- Receipts of delivery of uniforms for laundry on March/2011;
- Operational License n° 012/2011, due 31/12/2011.;
- Ministry of Agriculture - Registration No. 4120 card for seedling production;
- Contract No. 4600001719 with company GR S / A for the meals supply;
- Meals temperature records from Belo Oriente - March/2011;
- Meal satisfaction survey presented in March/2011;
- Action Plan - Notes on research Satisfaction;
- PTEAS procedure (Technical, economical and social planning);
- Strategic planning - short, medium and long term;
- Wood Purchase Policy;
- Deed of purchase and sale of 500,53 ha for the company EGESUR Participacoes e Empreendimentos Ltda. Document signed in April 2010;
- Lease contract (Fazenda Cristais of September 1st, 2000);
- Contract of Agricultural Partnership with Santa Barbara Trade Union – Oct/2000;
- Program for the Prevention of Environmental Risks (PPRA);
- Occupational Health Certificate (ASO);
- Internal Commission for Accident Prevention (CIPA).

8.3 - Interview(s) of involved people met

Manager(s):
- Mrs. Marta Miranda – Health and Safety Coordinator
- Mr. Claudio Rogério Pontes – Forest Planning Coordinator
- Mrs. Leida Hermsdorff Horst Gomes – Communication Coordinator
- Mr. Sandro Morais – Environmental Industrial and Forestry Manager
- Mr. Paulo Dantas - Coordinator of Environmental Industrial and Forestry

Employee(s):
- Mr. Valmir Alves – Administrative Staff – Nursery
- Mr. Jeronimo Clement Souza – Nursery worker
- Mrs. Girlene Ramos – Nursery worker
- Mr. Valmir Alves – Administrative staff
- Mr. Eli Candido do Bern – Specialist
- Mr. Jacinto Moreira Lana – Specialist
- Mr. Edson Valgas de Paiva – Biologist
- Mrs. Monica Isabel – Social specialist
- Mrs. Marcia Siman Assis Silva – Quality Technician
- Mr. Leandro Donato – Forwarder driver
- Mr. Dalton Junior – Stockroom;
- Mr. Roberto Flor de Carvalho – Machine Operator;
- Mr. José Ramon de Almeida – Machine Operator;
- Mr. Odivani Patrocinio Magalhães – Nurse;
- Mr. Jairo Lopes de Carvalho – Labour Doctor;
- Mrs. Josiane Gomes Chaves – Speech Therapist;
- Mrs. Aline Salles – Laboratory Technician;
- Mr. André Sanches - Engineer;
- Mrs. Maria Siman Assis Silva - Technical Quality Assistant;
- Mr. Cristiano Augusto Lopes - Public Relations;
- Mrs. Lucia Martha Tavera Birro Oliveira - Engineer of Project Development;
- Mr. João Batista Serra – Specialist

Sub contractors:
- Mr. Fabio Paulo – Supervisor – Company: Padrão Florestal
- Mr. Davi F. Santos – Field Worker (pesticide) – Company: Padrão Florestal
- Mr. Israel C. Silva – Field Worker (pesticide) – Company: Padrão Florestal
- Mr. Pedro José Dias Neto – Bus driver – Company: Padrão Florestal
- Mr. João Batista Alves – Bus Driver – Company: Padrão Florestal
- Mr. Teodoro Neto – Supervisor – Company: Padrão Florestal
- Mr. Osmar Narciso – Supervisor – Company: Padrão Florestal
- Mr. Eliomar Silva – Field Worker – Company: Padrão Florestal
- Mr. Wellington Silva – Field Worker – Company: Padrão Florestal
- Mr. Adilson Correia Silva – Field Worker – Company: Padrão Florestal
- Mr. Sideney Souza – Supervisor – Company: Morais Comercio e Serviços
- Mr. Rafael Costa – Supervisor – Company: Morais Comercio e Serviços
- Mrs. Aline Ferreira – Labour Safety – Company: Morais Comercio e Serviços
- Mr. Douglas Rocha Silva – Labour Safety – Company: Morais Comercio e Serviços
- Mr. José Claudio Justino – Saw operator – Company: Morais Comercio e Serviços
- Mr. José Braga Eustace - John Deere - Contract Manager;
- Mr. José Celso Parreiras - John Deere - Coordinator Contract;
- Mr. Anthony the Great - John Deere - Assistant Maintenance;
- Mr. Ahmed Jouber - John Deere - Field Foreman;
- Mr. Juliano José Alves - John Deere - Service Engineer;
- Mr. Dias da Silva - John Deere - Driver Comboista;
- Mr. Claudio Ataide Pope - Emflora - Forest Supervisor;
- Ms. Kamila Lemos Costa - Emflora - Safety Engineer;
- Mr. Carlos Roberto Silva de Oliveira - Emflora - Operations Supervisor;
- Mr. Xavier Genilson Vianna - Emflora - Technical Work Safety;
- Mr. Gilberto Pereira de Nissan - Emflora - Field Foreman;
- Mr. Francisco de Assis Carvalho - Emflora - Driver;
- Mr. Victor Sebastian of Mount Caramel - Emflora - Saw Operator;
- Mr. Procopio Leandro de Moura - Emflora - Saw Operator;
- Mr. Gonsalves Marcone Oliveira - Emflora - Saw Operator;
- Mr. José Arnaldo Rosa - Emflora - Saw Operator;
- Mr. Manoel Camilo Ambrosio - Emflora - Saw Operator;
- Mrs. Lucimar Mr. Pereira dos Santos - Emflora - Saw Operator;
- Mr. da Silva Pereira Gisnei France - Emflora - Saw Operator;
- Mr. Marciano Barbosa Guimarães - Emflora - Saw Operator;
- Mr. Joao Paulo Domingos - Emflora - Saw Operator;
- Mr. Gilmar Pereira Rocha - Emflora - Saw Operator;
- Mr. Cândido de Souza Ronaldo - Emflora - Driver;
- Mr. Juarez Soares Oliveira - Emflora - Operations Supervisor;
- Mr. William Rodrigo Oliveira - Emflora - Technical Work Safety;
- Mr. Ailton Martins dos Reis - Emflora - Clerk;
- Mr. Reginaldo da Silva Medeiros - Emflora - Forest Assistant;
- Mr. Marcelo Nunes Cardoso - Emflora - Driver;
- Mr. Daniel da Silva Santos – Emflora - Forest Assistant;
- Mr. Ednei Mr. Alves Azevedo - Emflora - Forest Assistant;
- Mr. Joao Antonio Gomes - Emflora - Forest Assistant;
- Mr. Juliano Carlos Souza - Emflora - Forest Assistant;
- Mr. Joaquim da Mota Neto Florentino - Emflora - Forest Assistant;
- Mr. Dilon Afonso Faria - Emflora - Forest Assistant;
- Mr. José Afonso Gomes - Emflora - Forest Assistant;
- Mr. Mauro Gomes Paixão - Emflora - Forest Assistant;
- Mr Francisco Maciel Hagapito - Emflora - Forest Assistant;
- Mr. Geraldo Silva Flávio Barbosa - Emflora - Forest Assistant;
- Mr. Amorim Simian Divino - Emflora - Forest Assistant;
- Mr. Gonsalves Claudinei de Souza - Emflora - Forest Assistant;
- Mr. Gonsalves Waldecy Pereira - Emflora - Forest Assistant;
- Mr. José Maria da Silva - Emflora - Assistant Forest;
- Mr. Edeilson Marçal da Cunha - Emflora - Driver;
- Mr. Fabricio Geraldo - Inspeserve - Planning Technician;
- Mr. Odilon Ferreira dos Santos - Inspeserve - Technical Supervisor.

8.4 - On-site visit(s)

During the Transfer Audit, following FMUs were visited:
- Belo Oriente Central Office
- Belo Oriente Nursery
- Ipaba Region
- Rio Doce Region
- Guanhães Region

8.5 - Stakeholders identification and consultation

Stakeholders were first identified during the recertification period (August 2010), then during the transfer audit. Stakeholders comments and interviews were received from:
- Minas Gerais State Silviculture Association;
- Town Council for Environmental Development for Santan do Paraiso;
- Cascavel Farm – Sao Domingos do Prata;
- Service Providers (sub-contractors): KTM, DJ, Morais, Atta, Emflora, Padrão Florestal, JCA, Komatsu, Julio Simões, Cenibra Logística;
- Transportation Workers Union in: Belo Oriente, Açucena, Virginópolis, Sabinópolis and Guanhães;
- Forestry, Charcoal, reforesting and related Worker’s Union Trade of Minas Gerais (SINDEX-MG);
- Wood Extraction Worker’s Union for Santa Barbara and region;
- Neighbour land owners and participants on the forest foment for Belo Oriente, Nova Era and Guanhães region;
- East SUPRAM;
- Relictos Foundation;
- CODEMA (Belo Oriente Environmental Council).

A complete list of consulted stakeholders is available in Appendix C.

We received comments prior to the transfer audit from the followings:
- Union Workers in the Extraction Plant, Charcoal, Forestry and related activities of the State of Minas Gerais (SINDEX-MG) – President

During this audit we interviewed the followings:
- Workers Trade Union of IPABA – President
- Coordinator of Rio Doce State Park
- Manager of Rio Doce State Park
- Federal Instituto of Minas Gerais / Rural Producer – Teacher / Beekeeper.
8.6 - Other evaluation techniques or requirements
None

8.7 - Transfer audit closing meeting
During the closing meeting of this audit, health and safety issues were highlighted and the need to adapt to new certification body indicators was addressed. The status of the CARs that were identified and their respective closure schedules were mentioned.
Both parties shared the same conclusions regarding CARs and audit observations.

9 - Audit team observations

9.1 - Main strengths and weaknesses
The work of Cenibra is being carried out with high transparency and there is a good relationship between employee and managers. Cenibra demonstrated commitment with FSC Principles and Criteria which are implemented consistently over the FMUs in the scope of the certificate. Cenibra has different working conditions within its regions regarding subcontractors, but it is implementing several measures to equalize working conditions across all FMUs. Implementation of the corrective actions proposed will be verified in the next surveillance audit.
Social programs developed regionally are considered a strong and positive activity carried out by the company.

9.1.1 - Principle 1 – Compliance with laws and FSC Principles
Legal requirement were assessed by the audit team who has verified the main licenses (operational, water withdraw, ILO conventions, environmental licenses, forest code and governmental registries).
The Company complies with updating the list of legal requirements and has identified the responsible for this activity. It had also informed and applied the necessary regulations and norms regarding its operations. Agreements with prosecutors have been made evident: Conduct Adjustment Agreement (TAC)
There was no CAR raised due to the non compliance of legal requirements.

9.1.2 - Principle 2 – Tenures, use rights and responsibilities.
The Rural Property occupied by CENIBRA is registered in their respective counties.
Cenibra has a policy for land purchase, which refers to the establishment of criteria to preserve the identity and socio-cultural georeferencial communities
surrounding the property acquired, as well as reduce the social impact of eucalyptus plantations related to the simplification of the landscape, and monoculture plantation. According to the criteria established, the traditional name of the property should be preferably kept. The company has developed a procedure called PTEAS (Technical, economical, environmental and social planning) that is used to assess the property, land, environmental and social features of the area to be planted with eucalyptus.

CENIBRA stated in its management plan that if there is an increase in pulp production, the need for wood supply will be purchased or new areas will be leased, as well as the contracts in the Forestry Incentive Program will be expanded.

It has also stated the following guidelines in case of acquisition of new areas:
- To prioritize the properties that are already part of CENIBRA contracts;
- To prioritize areas already planted with eucalyptus;
- To adopt an appropriate measure of prices to the reality of each region;
- To prioritize purchase in towns with lower percentages of areas of the Company;
- To acquire areas duly legalized, in special with the Ministry of Labor and the State Institute of Forestry;
- To keep the property subject to purchase and planted with eucalyptus separated from the infra-structure (housing and surrounding structures).

Nevertheless, contracts of leased areas shall be changed. Indeed some contracts were signed with a clause that fire can be put in some type of vegetation. The law allows doing that in some cases, but it can cause a misunderstanding therefore CAR 3 was raised in order to address that best practices of forest management should be performed within those areas.

The historical data of land and forest purchase was also verified.

9.1.3 - Principle 3 – Indigenous people’s rights

According to interviews and Cenibra’s workers, as well as FUNAI (National Indigenous Foundation – www.funai.gov.br), there are no indigenous peoples present in or around the different FMUs of the Company.

PTEAS (Technical, economical and social planning) is normally used to identify any trace of cultural or archeological objects prior to operational activities within the FMUs.

9.1.4 - Principle 4 – Community relations and worker’s rights

The Company carries out training activities for its employee and sub contractors for operational procedures. Interview with truck and bus drivers, employees and sub-contractors workers support this information.

Nearly all employees interviewed are from the region. Social projects are developed in partnership with local institutes and governments. It should be highlighted the social programme performed with the local rural workers trade union “Santa Barbara Agricultural Partnership”, started on October 2000 with the Municipality of Ipaba, EMATER and Small Owners. In this agricultural project, Cenibra provides land and some technical assistance (part of the land and inputs), EMATER provides the technical assistance on agriculture and the Workers Union helps out with legal and institutional support. The selection of families is made by vocation for agricultural work and food
vulnerability. Families have a 3 year contract as a project. The Commission in place assesses inclusion or exclusion of families.

Currently, Cenibra supports four projects: Santa Marta (127 families), Belo Oriente (86 families), Boa Vista / Guanhões (12 families), Ipabinha (84 families).

Data from all neighbors are registered and recorded regarding the property and economic and social activities undertaken in the surroundings. Meetings are held by region to provide information about the forest fire, law and environment, among others. The main aspect of the meeting is mutual knowledge of the technical staff from CENIBRA and neighbors, starting an exchange of information and a closer relationship.

In Nova Era region there is a tradition of handmade straw hat. The production of straw and artwork made of palm leaves is considered a customary activity. CENIBRA provides access to their areas to traditional community involved in the production chain of crafts.

The Company provides health and dental insurance for employees but not for sub-contractors. The audit team recommended studying the provision of these services also to subcontractor’s workers (Observation 3).

It was verified in the field that since the new measure to serve hot meals was implemented, the level of satisfaction increased regarding food provision. However, the new measure to serve hot meals is not yet implemented in Guanhões region (SGS CAR – not closed).

During field visit all activities that require PPE (Personal Protective Equipment) were complied.

Cenibra has corresponding procedure called "Communication with Stakeholders," which carried out by the Corporate Communications department. The first training on the aforesaid procedure is done on the employee’s admission, and depending on the application of the procedure to certain areas, they are notified about changes and updates to the Public Relations. Information is received by the corporate communications by 0800, "Contact Us" service disponibilizado CENIBRA's website, through officials of the regional phone, via-email, letters, memorandums. Complaints are recorded in the system and are automatically notified to the competent manager, according to the type of complaint. There are also two types of contacts: Sponsorship and donations. In all cases the responses are sent to the requester.

Employee’s admission examinations are conducted, as well as when there are changes in function, periodicals, maternity leave, and so on. The company also provides further examinations beyond what is provided by the law.

There is a communication channel with the community, informing about operational activities that can directly have an affect on these communities.

During an interview with a local stakeholder from SINDEX-MG, the audit team received some complaints on working conditions of subcontractors, such as:

- Lack of locker room to field activities and inadequate field bathroom;
• KTM’s Employee became ill on 30/03/2011 at the Worker’s accommodation on Cocal das Estrelas. The police only arrived the next day. Despite there is an ambulance in place, no driver was available neither a contact phone to call for emergency.

• Application of lime residue caused burns to 8 employees of DJ subcontractor, on 25/03/2011 - Project Jararaca / Santa Barbara. The president of the Trade Union has requested the opening of CAT (work accident registry) and is currently waiting for receiving it.

• Meals in Santa Barbara FMU are served cold. The meals boxes leave early in the morning (2am) to be served at 11am in the field.

The company was notified by the audit team and asked to give clarifications of the above complaints. Regarding the provision of meals in the field, the company is already taking actions to solve this issue, once it was part of the scope of CAR 2 from the previous certification body.

In regards to Principle 4, two minor CARs and six observations were raised (see section 12). The audit team did lots of interviews on subcontractors and, although the company has implemented all health and safety measures, and besides the social development plan is in progress for the whole region, some deviations were found in this matter.

9.1.5 - Principle 5 – Benefits from the forest

The Company, through rural partnership contracts, grants planting areas and natural forests for use by beekeepers, benefiting approximately 500 families (8 organizations).

The company has also several research activities undergoing within the management units. More than 100 scientific papers and thesis were developed with the support of Cenibra within its FMUs and related activities.

There was no evidence of the wasteful use of natural resources, once the harvesting system is very effective and optimized, allowing the cutting of trees of only a few centimeters from the ground, with larger diameter trees, it prevents breakage at the felling and falling stages. The company has specific procedures for avoiding damage to the natural forest during harvesting operations and water streams do not undergo from soil deposits. Roads are built following the contour lines. Measures to avoid and control erosions are also taken into account during road construction and maintenances.

The waste of biomass not used for pulp and paper is used to produce energy for the industrial process. The planting system is planned according to the demand, in order to provide enough resources and maintain a sustainable activity in the long term.

9.1.6 - Principle 6 - Environmental impact

The impacts related to the company activities were evaluated by procedures and risk assessments. The workers are aware of the potential risks of their activities, where training is provided for each work position.

Cenibra developed a procedure called PTEAS as mentioned before, which provides details about the property, land, environmental and social features of the area previously to the operational activities take place.
Conservation zones are delimited (riparian forests, Legal reserve, natural forests). Threatened species and their habitats are known and mapped. Monitoring of species (flora and fauna) is done periodically by the Company staff and specialists from universities and research institutes. Data are registered and the analysis is done periodically. Impact in the natural ecosystems as well as flora and fauna are monitored by research projects developed in partnership with universities and research institutes.

There is a cooperation with Rio Doce State Park where Cenibra contributes to any emergency in the park and surroundlings related to the risk of fire and monitoring.

The list of chemical records was shown, as well as a policy to reduce the use of chemicals. The company asked for derogation of controlled chemicals (Sulfuramid, Deltamethrin, Fipronil for ants and termites, Triadimenol).

The biological control done by the Company is approved by the Federal Agency. No Genetically Modified Organisms are used in the forest lands included in the scope of the certificate.

Although the procedures and measures implemented to avoid impacts, some deviations were found. Regarding pesticides deposit, the lavatory available was a bit far of the deposit. It was also verified on field that piles of logs were deposited next to a native forest, causing some injuries in the trees. The company has procedures to avoid this kind of activity but it was not accomplished.

In one of the transportation document, the MSDS was not available together with chemical product.

Thus, in regards to Principle 6, three minor CARs were raised in relation to the availability of chemical documentation – MSDS (CAR 5), pesticide deposit (CAR 1) and log piles that were temporary deposited closely to the native forests (CAR 4).

9.1.7 - Principle 7 – Management plan

Summary of the management plan is available on Company’s website. Employees are periodically informed and subcontractors receive training on the field. Since some of them may not know how to read, they receive a verbal training or in other suitable way, such as images and meetings. Field workers (employee and subcontractors) receive daily trainings regarding health, safety, environment and company updates.

The Management Plan from May/2010, revision 6.3 was verified and complies with this Principle. The document is revised annually (from January to April). It comprises all information related to silviculture, harvesting, transport, planting, breeding methods, nursery, general maintenances, monitoring, social and environmental projects, HCVFs, forest inventory and other operational activities.

9.1.8 - Principle 8 – Monitoring and assessment

The Company established the monitoring of the forest operations. The affected environments are also monitored, such as flora and fauna, water consumption, environmental performances, forest restoration data (seedlings and biodiversity),
harvesting impacts, management efficiency, among others. The monitoring frequencies vary according to the activities.

The operations performed by subcontractors are assessed by an employee every week and write a report once a week.

Results of the fauna, flora and HCVFs, as well as operational activities are yearly incorporated in the management plan.

Forest inventories allow for productivity changes in the plantations to be tracked, just as the stocks in the field, the development of medium and long-term operational plans as well as budgets.

Neither CAR nor Recommendations were raised to Principle 8.

9.1.9 - Principle 9 – Maintenance of high conservation value forests

Five HCVFs were previously identified, however, the company decided to exclude four of them last year due to the need of better studies to identify the features of high conservation attributes. The five previously identified HCVFs were:
- RPPN Fazenda Macedônia
- Cachoeira das Pombas
- Cachoeira de Cocais
- Vale das Borboletas
- Lagoa Teobaldo

These five HCVFs have their own management plan and attributes of conservation of biodiversity was given to these areas. The forests are being preserved and monitoring is still in place for all HCVFs. However, Cenibra decided to reassess the potentiality of these HCVFs once it was performed at the beginning of the FSC certification (back in 2005) and, by that time, not many studies were carried out in order to evaluate their high conservation areas. The company claims that other areas, with more significative biodiversity could be included. Thus, Cenibra is currently rethinking the HCVFs previously defined. A minor CAR was open in order to include in a more appropriate way the stakeholders consultation.

These areas are all native forests that are being preserved and monitored. The NC is minor because the monitoring in place are still ongoing. No practises has changed besides a internal decision and the company does not harvest or put the forests in danger, since they are also protected by law.

From these five, only the RPPN Fazenda Macedônia will definitely remains as a HCVF.

The attribute of high conservation value for RPPN Macedônia was defined due to its important area for the reintroduction of threatened bird species. The company carries out periodical monitoring on fauna and flora and, so far, the monitoring demonstrated that attributes are being conserved and not under risk.

Cenibra carried out several studies to identify potential areas and has used the Pro-forest guide to define the attributes, but it is not clearly stated which attribute is used to the HCVF. It is therefore recommended to perform it in accordance
with the six attributes as defined by the "Tool Kit for HCVF" (Proforest, 2003) - Observation 1.

9.1.10 - Principle 10 - Plantations

According to Cenibra, in the period 1994 to 2001 all the lands acquired were used with eucalyptus plantations, reforestation company, even before 1994, most of the areas acquired were being cultivated with *Eucalyptus spp*.

The great majority of FMUs has conservation areas and Legal Reserve, forming ecological corridors for fauna and flora, according to the federal law.

The operational procedures are properly written and available on site. The company uses different types of clones in order to maintain a minimum diversity. Best practices of soil conservation and roads maintenance are taken into account in the Company’s procedures.

Firebreaks and other monitoring systems (pest management, fire towers, emergency plans) are monitored to protect the success of the plantations.

The creation of ecological corridors, the restoration of degraded areas and the conservation actions in legal reserves and permanent preservation areas are appropriately carried out.

The genus that is commercially used by the Company is fully adapted to the different regions occupied by the plantations, due to the company breeding methods developed in the last years.

It was shown that lands managed by Cenibra have not been converted after 1994.

9.2 - Other requirements evaluation

It was decided to not include 10,550.89 ha under the company's ownership from the scope of the certificate due to the fact that they are under land tenure and environmental licenses regularizations. The company will include these areas as soon as regularizations are completed.

9.3 - Systematic presentation of results

See auditor’s checklists in Appendix B of the report.

9.4 - Identification, traceability and monitoring of products

9.4.1 - Description of the implemented systems to ensure the traceability

The volumes to be harvested in each FMU are known through inventories. Once harvested the wood is transported by trucks (90%) or by train (10%). Each harvesting is recorded on documents with the number of the FMU and the volume collected and the truck/train number called Wood Transportation Note (NTM in portuguese). This document allows the tracing each wood lot form its origin until the pulp mill gate where the trucks are weight.
There are permission document for road and train transportation. There are records of data, transportation, origin (farm/project) and volume and weigh of each load received in the pulp mill.

Then the volume weight recorded on legal document and the volume estimated by inventories are compared.

There are written procedures and the workers in charge of receiving and measuring timber is trained to perform their roles (procedure “Recebimento, medição e controle por volume, descarga e armazenamento de madeira nos patios” – PO 410, v.12).

9.4.2 - Description of the final location of taking in charge

The logyard from the mill is the place where all timber is weight and then placed after harvested and transportation.

9.4.3 - Description of the documentation or of the marking system

The documents management is carried out with specific software (DOCNIXWEB) and the wood entrance control database to Cenibra Brasil is carries out with a database (SMAD – wood moving system).

The records system consists in (internal) invoices for wood entrance (Wood Transportation Invoice) that are kept on paper and data are recorded on the SMAD. The controlled wood contracts are kept on paper.

There is a daily back up for all the electronic documents.

9.4.4 - Evaluation of the mixing risk

The risk of mixing materials was considered low according to the risk assessment provided by the company.

9.5 - Elements subjects to controversy

Previously from the Transfer Audit, Bureau Veritas received a complaint from a local stakeholder regarding working conditions of subcontractors, such as:

1. Lack of locker room to field activities and inadequate field bathroom;
2. KTM’s Employee became ill on 30/03/2011 at the Worker´s accommodation on Coicas das Estrelas. The police only arrived the next day. Despite there is an ambulance in place, no driver was available neither a contact phone to call for emergency.
3. Application of lime residue caused burns to 8 employees of DJ subcontractor, on 25/03/2011 - Project Jararaca / Santa Barbara. The president of the Trade Union has requested the opening of CAT (work accident registry) and is currently waiting for receiving it.
4. Meals in Santa Barbara FMU are served cold. The meals boxes leave early in the morning (2am) to be served at 11am in the field.

During field assessment, the audit team verified that field bathroom complies with legal requirements. It was not possible to assess in loco the Worker’s accommodation on Coicas das Estrelas, but it was evaluated on documents and photographs. Coicas das Estrelas is object of a minor CAR from the previous certification body, which gave CENIBRA another year to complete the renovation of the buildings.

Hot meals were verified in Belo Oriente region and an action plan was verified to serve and monitor hot meals in all regions.
The company was requested to clarify those complaints, and has done so on April 20th 2011 by email. By the next audit to be performed in September 2011, the audit team will verify the answers locally, as follows:

**Incident 1**: The company has implemented a shelter made of canvas – verified on site by the auditors and is studying new possibilities for a mobile changing room and field toilets. The current structure complies with the law.

**Incident 2**: According to Cenibra, the company provides in Cocais das Estrelas accommodation, 01 equipped ambulance for use in case of first aid to injure at work and sudden illness, and kept constant scale of drivers and nurses work properly trained for emergency care. The company sent shift control of drivers. It has been checked by the audit team that contact phones were available everywhere and a document shows that the person was taken to the hospital.

**Incident 3**: DJ’s employee affected did not reported immediately the problem occurred, culminating in the second degree burn. The communication took place the day after the fact occurred, and the sequence below helps to understand the dynamics of the facts:

- The employee, according to information provided, reported that after finishing his daily activity, he felt an itch on his left shoulder and it was reddish.
- The day after the maid started again the activity, but already showed signs of burning.
- The employee reported this directly to the director of the Union but not to the supervisor of the sector.
- The supervisor claims to have informed all employees to be careful while filling the bags with lime, especially not to smudge the handle of handbags and clothing.
- Time off from the injured worker: 5 (five) days at home.
- The employee was using all PPE recommended for the activity.

The necessary actions to record, analyze, report and prevent a repeat of the accident were taken according to established routine for this kind occurred:

A) Record of labour accident;
B) Development of a Security Alert held in all operational areas of the company, to alert and prevent the occurrence of similar accidents;
C) Presentation of Accident Analysis for Cenibra Technical Director Mr. Takashima, according to routine procedures for dealings of every accident CPT (with time waste);
D) Plan of Action of the DJ for improvement and adjustment of the lime application activity.

All documentation above mentioned was presented to Bureau Veritas. The Worker Trade Union’s president is aware of Cenibra’s activities.

**Incident 4**: This issue is being addressed in the context of CAR 02 raised at the last audit and maintenance, performed by SGS certification body in May 2010. Among the strategies proposed, it has been the use of a packing machine in order to decrease the time between the preparation, packaging, transportation and consumption of the meal, besides the adoption of thermal boxes with
electric resistance for the transport of packages containing meals to maintain a temperature adequate, and the adoption of distribution routes to optimize the logistics of transporting and delivering meals.

For the specific case of regional New Era, Santa Barbara region, the strategy adopted was the use of the packers and the termic box. The question of meals temperature monitoring will be consulted with ANVISA (National Sanitary Authority) in order to verify the consistency and appropriateness of the methodology.

It was decided to not include 10,550.89 ha under the company’s ownership from the scope of the certificate due to the fact that they are under land tenure and environmental licenses regularizations. The company will include these areas as soon as regularizations are completed. The audit team did not consider as illegal activities or social issues related to the exclusion of these areas. The audit team investigated that the land title and Legal Reserve regularization is under process.

The auditors have concluded that the transfer audit can be continued and even though some elements can be controversial, there is no legal deviation within the complaints received, with exemption on meal’s temperature which is already been treated by the CAR 02 and will be verified by the next audit.

The audit team will monitor the actions taken by the company to sort these issues out.

10 - Scope retained for the certification

10.1 - Eventual changes in the scope of certification

The previous scope of the certificate was “Management of 245,232.54 ha of area, within 127,303.88 ha of Eucalyptus spp in Minas Gerais for production of round wood for supplying of the pulp mill of the organization”.

The current scope of the certification is 244,719.09 ha due to the selling of 500.53 ha to EGESUR Participações e Empreendimentos Ltda, on April 2010 (evidenced by contract), where it will be used to construct a residential settlement.

10.2 - Geographical limitation at the level of the entity

Total area to be included in the certification scope is 244,719.09, whereas:

<table>
<thead>
<tr>
<th>Land ownership</th>
<th>Total (ha)</th>
<th>Plantation (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC Certified own land</td>
<td>243,053.66</td>
<td>125,462.01</td>
</tr>
<tr>
<td>FSC Certified rental agreements</td>
<td>1,665.43</td>
<td>1,222.14</td>
</tr>
</tbody>
</table>

10.3 - Limitation at the level of the forest products

Round wood - Eucalyptus spp. (clones of E. grandis x E. urophylla).

11 - Proposals regarding the certification decision

11.1 - Explication on all rating, weighting systems or other systems used decisions taking

The audit team did not use any rating or weighting system to conduct the transfer audit.

The whole referential’s requirements are considered equivalent and each criterion must be satisfied by the applicant entity during the cycle of the certification. The non-conformity against each indicator is evaluated.

11.2 - Actions taken in order to answer to the pending Major CARs

There are no Major CARs pending.

11.3 - Actions taken in order to answer to the pending minor CARs

<table>
<thead>
<tr>
<th>Minor CAR N°</th>
<th>CAR description</th>
<th>Standard requirement reference</th>
<th>Action taken by the entity to close the CAR</th>
<th>Closed/ Open</th>
<th>Date of closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Chain saw operation license and certificates of registry with State Forestry Institute were not available for all work fronts</td>
<td>1.1.1</td>
<td>Cenibra has updated procedures to include Chainsaw’s license availability during field work (PO713 v.4) for workers and subcontractors. It was verified the Technical Registry of IBAMA for CENIBRA and Subcontractors (KTM, LEM, MORAIS, EMFLORA, CONSITA). Chainsaw register and payment of the necessary fees were verified by sampling.</td>
<td>closed</td>
<td>March 10th 2011</td>
</tr>
</tbody>
</table>
### Minor CAR N°

<table>
<thead>
<tr>
<th>Minor CAR N°</th>
<th>CAR description</th>
<th>Standard requirement reference</th>
<th>Action taken by the entity to close the CAR</th>
<th>Closed/Open</th>
<th>Date of closure</th>
</tr>
</thead>
<tbody>
<tr>
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<td>closed</td>
<td>March 10&lt;sup&gt;th&lt;/sup&gt; 2011</td>
</tr>
<tr>
<td>02</td>
<td>Accomodations and meals on the FMU do not comply with the code for health and safety practices on forestry operations.</td>
<td>4.2.9</td>
<td>Under development</td>
<td>open</td>
<td>Within 12 months (March 22&lt;sup&gt;nd&lt;/sup&gt; 2012)</td>
</tr>
</tbody>
</table>

**Comments:**

CAR 02: Meals temperature is monitored for other regions, but not for Cocais (Within Nova Era Region) and Guanhães. The methodology for food monitoring was sent for validation to the National Sanitary Agency (ANVISA) – response is still pending.

Regarding Worker’s accommodation, it was verified by the previous certification body that 16 new lodges were finished (suitable for 422 workers). According to Cenibra meeting minute, it is planned and quoted the construction of 10 lodges, covering accommodation for all workers. The construction of the lodges was initiated but not finished yet. The conclusion is expected to be over by October 2011.

Because of the long term needed to finish the construction, the previous certification body decided to give Cenibra 12 more months to conclude the work and close the Minor CAR raised.

### 11.4 - Action taken in order to answer to previous recommendation

No previous recommendation was issued in the last audit.

### 12 - Transfer evaluation

#### 12.1 - Evaluation of the general conformity level of the entity
The audit team evaluates that Cenibra has a system capable of ensuring that the requirements of the standard requirements are met in their management unit. Although subject to corrections and nonconformities were identified, the management system is being implemented consistently over the areas of management units covered by the scope of the certificate.

12.2 - Clear description of all observations and conditions associated to the certification decision

<table>
<thead>
<tr>
<th>Observation number</th>
<th>Type</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Environment</td>
<td>Clarify the characterization HCVF as the six attributes of high conservation value according to the classification defined by the Guide to HCVF Proforest (2003).</td>
</tr>
<tr>
<td>B</td>
<td>Workers condition</td>
<td>Evaluate the use of sunscreens and a straw hat (sombrero) in outdoors activities under the sun.</td>
</tr>
<tr>
<td>C</td>
<td>Workers condition</td>
<td>Evaluate the availability of health care service providers.</td>
</tr>
<tr>
<td>D</td>
<td>Workers condition</td>
<td>Evaluate the adequacy of the proximity and availability of toilets, as well as the need for eye wash equipment for pesticide deposits.</td>
</tr>
<tr>
<td>E</td>
<td>Workers condition</td>
<td>Evaluate the use of anemometers during chemical’s field work.</td>
</tr>
<tr>
<td>F</td>
<td>Workers condition</td>
<td>Evaluate the need to describe the practices adopted for women during pregnancy or breastfeeding.</td>
</tr>
<tr>
<td>G</td>
<td>Workers condition</td>
<td>Evaluate the need to inform the formula for calculating the production award for employees working under this scheme.</td>
</tr>
</tbody>
</table>

12.3 - Minor Corrective Action Requests

<table>
<thead>
<tr>
<th>Nº</th>
<th>Minor corrective action requested</th>
<th>Proposed date of implementation</th>
<th>Requirement number</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>To provide sink, water and soap for the Pesticide Deposit in the Nursery area.</td>
<td>Closed.</td>
<td>6.6.3</td>
</tr>
<tr>
<td>02</td>
<td>To extend the range of stakeholders as a form of public consultation for inclusion and exclusion of HCVF’s.</td>
<td>Next surveillance audit</td>
<td>9.2.1</td>
</tr>
<tr>
<td>03</td>
<td>To adapt the texts of contract leases in accordance with the policy of good practices recommended by the Company</td>
<td>Next surveillance audit</td>
<td>2.1.2</td>
</tr>
<tr>
<td>04</td>
<td>To provide the trucks with Emergency Sheet and specify items in the Emergency Kit, enhancing training of truck drivers.</td>
<td>Next surveillance audit</td>
<td>4.2.5</td>
</tr>
<tr>
<td>05</td>
<td>Evaluate and establish effective criteria and measures to ensure that piles of logs are not deposited in the Permanent Preservation Areas and Legal Reserves.</td>
<td>Next surveillance audit</td>
<td>6.5.4</td>
</tr>
</tbody>
</table>
## Minor Corrective Action Requested

<table>
<thead>
<tr>
<th>No</th>
<th>Minor Corrective Action Requested</th>
<th>Proposed Date of Implementation</th>
<th>Requirement Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>06</td>
<td>To ensure that all chemicals stored or in transport are accompanied with their MSDS.</td>
<td>Next surveillance audit</td>
<td>6.6.6</td>
</tr>
<tr>
<td>07</td>
<td>Provide data from the existing social impact studies for the area of corporate social department</td>
<td>Next surveillance audit</td>
<td>4.4.3</td>
</tr>
</tbody>
</table>

### Comments on the Minor CAR:

**CAR 01:** The Company answered promptly and installed next to the pesticide deposit a lavatore sink and a device with liquid soap for hand washing. In order to prevent corrosion or to facilitate the cleaning of the place, the sink has a top made of granite and tub faucet and stainless steel. It is a punctual and single event. The minor CAR is closed.

**CAR 02:** The Company does not consider anymore as HCVFs 4 places: Cachoeira das Pombas; Cachoeira de Cocais; Vale das Borboletas and Lagoa Teobaldo. These HCVFs were previously established and excluded due to the fact that deeper studies should be done in order to assess if they are genuinely a place to be considered as a high conservation value. The company did not consulted the stakeholders to verify if they agree or not with the exclusion of the HCVFs. Even though stakeholders were not consulted, it is considered a minor non conformity because all measures and procedures for monitoring and protection of the high conservation values are maintained. It is an internal decision but nothing has been put in practice.

**CAR 03:** It was found in some contract agreements a clause that can be wrongly interpreted, which may lead to jeopardize the company’s operational good practices regarding fire control. It is considered a minor CAR because Cenibra has a very good system to prevent and control any kind of fires, including fire brigade, environmental education, operational procedures and a program for neighbours.

**CAR 04:** The emergency sheet and the list of medicines and materials of the emergency kit were not available in the transporting truck. It is a punctual event found during the audit in one truck out of 3 – Minor CAR.

**CAR 05:** It was verified on field that piles of logs were deposited next to the native forests, causing some injuries in the trees. The company has procedures to avoid this kind of activity but it was not accomplished. It is not a systematic event, thus it is considered a minor CAR.

**CAR 06:** MSDS was not available together with chemical products deposit or transportation. It is a minor CAR due to the fact that this is not a systematic event, and was observed only in Ipaba region.

**CAR 07:** The Company does not perform a deep study of their social impacts in the community. It is a minor CAR due to the fact that some social impacts were evaluated during the environmental impact assessment – EIA. The issue is that the Corporate Social Department does not have a copy of the EIA and thus, may not be aware on what were the social issues raised by this study.
12.4 - Major Corrective Action Requests

No major CAR was issues during transfer audit.

13 - Certification decision

13.1 - Proposals regarding the certification decision

The audit team considered that the company has reached the level of conformity required for transferring the certificate. Thus, the auditing team recommends the transfer of Cenibra – Celulose Nipo Brasileira S/A to Bureau Veritas Certification.

The main strengths observed refer to the good management and best practices used on forestry. The fire brigade is also worth mentioning since its activities incorporate the protection of the protected area (Rio Doce State Park) in the surroundings. The weakness point observed refers to the high amount of services that are subcontracted, and the company has to manage and monitor all their activities continuously.

In the opinion of the audit team the applicant's system of management, is capable of ensuring that the requirements of the applicable standard is met over the whole forest area covered by the scope of the evaluation.

The applicant has demonstrated, subject to correction of the identified non-compliances, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.

13.2 - Certification decision

Deliberation: Following the examination of the transfer audit report referenced “AR110501BR FSC FM TA report CENIBRA v1.0”, the Certification Committee decides to agree on the transfer of the certificate FSC FM/COC of Cenibra – Celulose Nipo-Brasileira S.A (registered under SGS-FM/COC-002167).

This certificate issued is valid until the August 11th 2015 under the condition that CENIBRA satisfies to the 7 minor Correctives Action Requests in due time, as specified in the report.
Issued April the 29th 2011, reviewed the 27th of June 2011,

FSC FM Certification Manager, Lead Auditor,

Héloïse d'Huart José Ferraz
B. Surveillance audit n° 1

14 - Base of evaluation

14.1 - Date of the surveillance evaluation

14.2 - Composition of the audit team

Lead auditor: - Mrs. Maria Augusta Godoy, Forest Engineer, MSc. in Forest Ecology and Management, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Environmental Impact, Biodiversity and Protected Areas Expert, employee.

Auditors: - Alexander Vervvurt, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Agronomist Engineer, M.Sc. in Environmental Management, leader Auditor in ISO 9001, 14001, OHSAS 18001 and CERFLOR, independent consultant.

- Juliana Colpas, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Biologist and Chemistry, Auditor in ISO 9001, 14001, OHSAS 18001, SA 8000 and CERFLOR, independent consultant.

- Pedro Silveira, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Forest Engineer, Lead Auditor in ISO 9001, 14001, OHSAS 18001 and CERFLOR, independent consultant.

Observer: - Fábio Alves, Forest Engineer, FSC FM qualified auditor, Auditor in FSC Chain of Custody and CERFLOR.

14.3 - Forest management referential used for the surveillance audit

For the 2nd surveillance audit, we referred to the checklist SF03 FSC FM V1.0 extracted from the forest management referential RF03 FSC FM BV para Florestas Plantadas Brasil_v1.0 (Plantations), from November 2009. This last version has been updated and is available on the website, [www.bureauveritas.com/certification](http://www.bureauveritas.com/certification) or upon request to Bureau Veritas Certification.

All detailed information regarding the audit can be found in the check-list attached on Appendix I.
15 - Information collecting modalities

15.1 - Description of the audit program

<table>
<thead>
<tr>
<th>AUDIT SCHEDULE</th>
<th>Person</th>
<th>Time</th>
<th>Place</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>22/ August/2011</strong></td>
<td>Audit team</td>
<td>am</td>
<td>Belo Oriente - MG</td>
<td>Travelling</td>
</tr>
</tbody>
</table>
| | | | | Opening meeting of the audit in presence of Mr. Sandro Morais, Paulo Dantas, Jacinto Lana, Valério Frossard, Maria José Fonseca and the operational team of Cenibra
<p>| | | | | Confirmation of the previous planning . |
| | Audit team | pm | Belo Oriente - MG | Document review – CARs closing |
| | | | | Document review – CARs closing, Principle 1 and 2 |
| | | | Travelling | Travelling to Nova era |
| | | | Travelling | Travelling to Guanhães |
| <strong>23/ August/2011</strong> | Audit team | am | Cocais | Cocais Worker’s Lodge |
| | | | Belo Oriente | Management Plan/ Nursery |
| | | | Nova Era Region | Silviculture operations |
| | | | Guanhães Region | Silviculture operations |
| | Audit team | pm | Rio Doce Region | Emergency Plan, Harvesting (manual), Monitoring (Fauna, Flora, Water, HCVF) – Principle 8 |
| | | | Nova Era Region | Silviculture and Harvesting operations |
| | | | Guanhães Region | Harvesting operations |
| <strong>24/ August/2011</strong> | Audit team | am | Belo Oriente | Stakeholder Communication, Trademark use, Travelling to Guanhães |
| | | | Rio Doce Region | Instituto Cenibra – “Mulheres de Fibra” social project |
| | | | Nova Era Region | Silviculture and Harvesting operations |</p>
<table>
<thead>
<tr>
<th>Audit team</th>
<th>Region</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Guanhães</td>
<td>Health and Safety, Emergency plan, fire management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Guanhães Worker’s Trade Union meeting</td>
</tr>
<tr>
<td></td>
<td>Belo Oriente</td>
<td>Mutum project- HCVF, Protected Reserve and Restoration of Degraded Areas</td>
</tr>
<tr>
<td></td>
<td>Nova Era</td>
<td>State Forest Institute meeting in Joao Monlevade</td>
</tr>
<tr>
<td></td>
<td>Guanhães</td>
<td>Guanhães Worker’s Trade Union meeting Emflora meeting and interview</td>
</tr>
</tbody>
</table>

25/ August/2011

<table>
<thead>
<tr>
<th>Audit team</th>
<th>Region</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Belo Oriente</td>
<td>Health and Safety procedures, CAR closing</td>
</tr>
<tr>
<td></td>
<td>Rio Doce</td>
<td>Research and Development Pest Management</td>
</tr>
<tr>
<td></td>
<td>Nova Era</td>
<td>Harvesting</td>
</tr>
<tr>
<td></td>
<td>Guanhães</td>
<td>FM/CoC documents, transport, Virginópolis logyard</td>
</tr>
<tr>
<td>Audit team</td>
<td>pm</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Belo Oriente</td>
<td>Documents review</td>
</tr>
<tr>
<td></td>
<td>Belo Oriente</td>
<td>Documents review</td>
</tr>
<tr>
<td></td>
<td>Nova Era</td>
<td>Traveling – Documents review</td>
</tr>
<tr>
<td></td>
<td>Guanhães</td>
<td>Travelling – Documents review</td>
</tr>
</tbody>
</table>

26/ August/2011

<table>
<thead>
<tr>
<th>Audit team</th>
<th>Region</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Belo Oriente - MG</td>
<td>Auditors meeting to establish the corrective action requests</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Presentation meeting of the audit in the presence of Mr Sandro Morais, Paulo Dantas, Jacinto Lana, Valério Frossard, André Sanches and Maria José Fonseca.</td>
</tr>
<tr>
<td>Audit team</td>
<td>am</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Belo Oriente - MG</td>
<td>Closing of the audit in the presence of Cenibra operational and managerial team.</td>
</tr>
<tr>
<td>Audit team</td>
<td>am</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Belo Oriente - MG</td>
<td>Travelling to Sao Paulo.</td>
</tr>
</tbody>
</table>

15.2 - Total man days for the audit

In total, the audit team took 16 man days to perform the audit, including time spent on auditing documents and records, interviewing stakeholders, and carrying out field work. Time spending with travelling was around 4 man days.
15.3 - On-site visit(s)

In the first surveillance audit, 4 (four) regions were visited: Guanhães, Nova Era, Belo Oriente and Santa Barbara.

Public consultation was carried out by interviewing workers and governmental institutions (Social Program – Mulheres de Fibra, Environmental Program – Mutum Project, Rural Workers Trade Union of Guanhães and State Forest Insituto of Joao Monlevade).

Each region presents different plantation areas and FMUs, called “Projetos”. Each region has its central office, where all monitoring and programs are carried out. Even so, everything is controlled by the coordinator of each sector (environment, social, production, among others).

The selection of “FMUs” to be visited within each region was taken according to the activity on site in process at the moment of the audit. During the operational verification, harvesting, transport and fertilization activities were checked on site, as well as planting. All regions were assessed in the first surveillance audit.

Activities regarding nursery, health and safety and social programs were mostly verified in Belo oriente, as well as documents from environmental programs and monitoring, compliance with environmental laws and regulations, and HCVFs.

15.4 - Documents review

List of some of the documents verified:
- Revised Management Plan, 2011, ver7.1;
- HCVF Macedonia – management, attributes, monitoring and description.
- Environmental licenses – see check list for details of licenses;
- Adjustment Term, Legal Reserve spreadsheet and contract agreements from renta areas;
- Monitoring registries – fauna, flora, water resources;
- Environmental and Social programs documents and registries;
- Degraded areas restoration – Permanent Preservation Areas;
- Flora and Fauna studies;
- Environmental registry – field forms;
- Social Environmental impact report;
- Operational activities – harvesting procedures, integrated pest management, service orders, monitoring, driver’s controlling datasheet (time/shift).
- Social and legal procedures – communication, land dispute datasheet;
- Complaints management spread sheet;
- Chemical products list;
- Derogation procedures and monitoring;
- Occupational Risk Assessments –of 2011, DJ Subcontractor;
- Training records - ;
- PPRA (Program for the Prevention of Environmental Risks) and PCMSO (Program on Occupational Health Control) of Cenibra’s subcontractors (DJ, Serviços Rurais).
More information regarding documents review are showed in the check-list attached (Appendix I)

15.5 - Stakeholders identification and consultation

Stakeholders were first identified during the transfer audit (30th of March 2011), then prior and during the surveillance audit (22nd to 26th of August 2011).

We received comments prior to the surveillance audit from the followings:
- Mr. José Maria Soares - President – Gunhães Worker’s Trade Union (SINDEX)

During this audit we interviewed the followings:
- Mr. José Maria Soares - President – Gunhães Worker’s Trade Union (SINDEX)
- Osman G. Filho – Technician – State Forest Department
- Elinete Magalhães – President – “Mulheres de Fibra” Movement

During the months that were followed after the transfer audit, Bureau Veritas received some comments and complaints from stakeholders. This information can be seen in the Appendix J.

15.6 - Interview(s) of involved people met

- Manager(s):
  Mrs. Marta Miranda – Health and Safety Coordinator
  Mrs. Leida Hermsdorff Horst Gomes – Communication Coordinator
  Mr. Sandro Morais – Environmental Industrial and Forestry Manager
  Mr. Paulo Dantas - Coordinator of Environmental Industrial and Forestry

- Employee(s):
  Juscelino Felisberto – Pesticide deposit stockman
  Cláudio - Silviculture supervisor
  Tarcísio Pinto - Work safety - technician
  Deise Santiago – Institutional relations
  Elaine Souza – Nutritionist
  Francisco Farias – Logistics and infra-structure - Coordinator
  Marcelo Becho – Logistics and infra-structure - Supervisor
  Maria Eunice Menezes – Law department
  Rogério Freitas – Law department
  Lucia Martha Birro Oliveira Taveira – Civil Engineer
  Jacinto Moreira Lana – Forest engineer - Specialist
  Edson Valgas de Paiva – Biologist
  Isabel Monica Freitas – Institutional relations, Social specialist
  Andre Sanches - Forest Engineer
  Cristiano Augusto Lopes - Public Relations
  Welliton Leite – Health and Safety
  Mary Santana – Institutional relations
  Rogério Freitas – Lawyer
  Rodrigo Oliveira – Lawyer
Edson Valgas – Specialist  
João Batista – Specialist  
Valmir Alves – Administrative matters  
Joice Gomes – Forest Monitor  
Alex Medeiros – Forest protection  
Elizabeth Takahashi – Forest protection  

Sub contractors:  
Welington Pereira – Supervisor - DJ Serviços Rurais  
Claudinei Mota – in charge of Field activities - DJ Serviços Rurais  
Sirlando Nogueira – in charge of Field activities - DJ Serviços Rurais  
Mara da Silva – Rural Worker – DJ Serviços Rurais  
Marciano Thomasi – Silviculture Supervisor - DJ Serviços Rurais  
Joaquim Martins – Supervisor - DJ Serviços Rurais  
Denisson Miranda in charge of Field activities - DJ Serviços Rurais  
Sebastiana Lopes – Rural Worker - DJ Serviços Rurais  
Matozinho Lopes – Rural Worker - DJ Serviços Rurais  
Emiliane Magalhães – Nurse - DJ Serviços Rurais  
Marcelo do Santos – in charge of Field activities - DJ Serviços Rurais  
Amanda Silva – Nutritionist - GR Alimentação  
Cyrino Palhares – Coordinator of Administrative Services  
Valdecir Sena – Harvesting mechanic  
Breno M. da Silva – Harvesting mechanic  
Hermelindo Lopes – Rural Worker  
Francisco Lopes – Rural Worker  
Divanir S. da Silva - Rural Worker  
Vagno de Matos – in charge of field activities - Planejar  
Cristóvão Coelho – supervisor - Maintenance  
Wuender Castro – supervisor – Forest operations  
Milton Andrade – JCA ambulance driver  
Edmilson – KTM Forest assistant  
José Gabriel – KTM Forest assistant  
Jader Pereira Souza – KTM chainsaw operator  
Maurício Rodrigues – KTM chainsaw operator  
Sebastião Henrique Martins – KTM Forest assistant  
João de Fátima Madeira – KTM Forest assistant  
Maria Aparecida Lima – KTM nurse  

15.7 - Other evaluation techniques  
No other evaluation technique was performed besides visiting sites, offices, consulting stakeholders, verifying documentation, interviewing employees and sub contractors.  

15.8 - FSC trademark use control  
The FSC trademark is rarely used by the company. In Cenibra webpage it is just mentioned the FSC Certification. The company showed appropriate use of FSC promotional trademark, previously approved by Bureau Veritas Certification and in compliance with FSC-STD-50-001,v1-2.
Transport documentation of certified wood from the forest to the logyard does not carry the FSC certificate number, resulting in non-conformity of the system (CAR 12).

15.9 - Controversial elements

There was no controversial element identified in this first surveillance audit.

15.10 - Changes since last audit

No changes were identified since the last audit.

15.11 - Surveillance audit closing meeting

Cenibra staff has agreed with the CARs and observations raised by the audit team. The Audited body’s representative has signed the SF02 presented (attached).

16 - Audit team observations

16.1 - Actions taken in order to answer to the Corrective Action Requests from the previous audit

<table>
<thead>
<tr>
<th>CAR #</th>
<th>CAR description</th>
<th>P&amp;C indicator number</th>
<th>Action taken by the entity to close the CAR</th>
<th>Closed/ Open</th>
<th>Date of closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>To extend the range of stakeholders as a form of public consultation for inclusion and exclusion of HCVF’s.</td>
<td>9.2.1</td>
<td>Cenibra carried out a meeting presenting and describing the HCVF to 28 entities that make up the advisory board of the forest park of the Rio Doce, as a form of public consultation. These entities are part of a council for the development of the region. It includes: fire police, local NGO, MG Federal University, Regional Forestry Agency - IEF, surroundings communities, Association - Friends of the Rio Doce Park, Local agricultural associations, Environmental department from Dionisio municipality, among others. The CAR is closed, but action plan must be verified by the next audit.</td>
<td>Closed</td>
<td>08/26/2011</td>
</tr>
<tr>
<td>CAR #</td>
<td>CAR description</td>
<td>P&amp;C indicator number</td>
<td>Action taken by the entity to close the CAR</td>
<td>Closed/ Open</td>
<td>Date of closure</td>
</tr>
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</tr>
<tr>
<td>03</td>
<td>To adapt the texts of contract leases in accordance with the policy of good practices recommended by the Company</td>
<td>2.1.2</td>
<td>Lease contracts checked. Addendum to the contract by changing the text and incorporating environmental issues evidenced.</td>
<td>Closed</td>
<td>08/26/2011</td>
</tr>
<tr>
<td>04</td>
<td>To provide the trucks with Emergency Sheet and specify items in the Emergency Kit, enhancing training of truck drivers.</td>
<td>4.2.5</td>
<td>Evidenced in the field (Cocais) emergency kit with its respective product list. Cenibra has conducted a meeting with subcontractors to formalize the transfer of information and the procedure for the truck convoy. Recommendations were also included in the procedure. Emergency kit list was available for all trucks.</td>
<td>Closed</td>
<td>08/26/2011</td>
</tr>
<tr>
<td>05</td>
<td>Evaluate and establish effective criteria and measures to ensure that piles of logs are not deposited in the Permanent Preservation Areas and Legal Reserves.</td>
<td>6.5.4</td>
<td>As immediate action, fixed anchors to avoid piles of wood to roll to the inside of APP and legal reserve were implemented. Cenibra developed an action plan to assess the issue in other areas. The CAR is closed, but action plan must be verified by the next audit</td>
<td>Closed</td>
<td>08/26/2011</td>
</tr>
<tr>
<td>06</td>
<td>To ensure that all chemicals stored or in transport are accompanied with their MSDS- Material Safety Data Sheets.</td>
<td>6.6.6</td>
<td>Letter sent to all subcontractors to prompt provide the MSDS together with any chemical products. Meeting was held in order to clarify the use of MSDS.</td>
<td>Closed</td>
<td>08/26/2011</td>
</tr>
<tr>
<td>07</td>
<td>Provide data from the existing social impact studies for the area of corporate social department.</td>
<td>4.4.3</td>
<td>Immediate action was taken and the previous social impact study was provided to the social department. Some planned actions to ensure the flow of information between the areas of Environment and Social Development were proposed. The CAR is closed, but action plan must be verified by the next audit</td>
<td>Closed</td>
<td>08/26/2011</td>
</tr>
</tbody>
</table>

### 16.2 - Action taken in order to answer to previous recommendation

<table>
<thead>
<tr>
<th>OBS</th>
<th>Type</th>
<th>Comment</th>
<th>Actions Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Environment</td>
<td>Clarify the characterization HCVF as the six attributes of high conservation value according to the classification defined by the Guide to HCVF Proforest (2003).</td>
<td>Cenibra carried out a meeting presenting and describing the HCVF to 28 entities that make up the advisory board of the forest park of the Rio Doce, as a form of</td>
</tr>
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</tr>
<tr>
<td>B</td>
<td>Workers condition</td>
<td>Evaluate the use of sunscreens and a straw hat (sombrero) in outdoors activities under the sun.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Cap Arabic and straw hat under testing. - It was evidenced the study and the state of the art from the use of adapted helmet for use in silviculture operations. - Planting activities are now using an arabic cap, and helmet is just used for forested areas.</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Workers condition</td>
<td>Evaluate the availability of health care service providers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The study of providing health care is part of a project that is being carried out by Cenibra and some actions were already taken. The action plan comprises the definition and study of an alternative of the public health care, provide periodic health exams, diagnosis of most common health problems, nutritional study, potential partnership with local authorities, among others.</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Workers condition</td>
<td>Evaluate the adequacy of the proximity and availability of toilets, as well as the need for eye wash equipment for pesticide deposits.</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Evidenced that Cenibra implemented showers and eye wash in the following regions: Nova Era, Cocais, Guinhães.</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>Workers condition</td>
<td>Evaluate the use of anemomethers during chemical’s field work</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not evaluated during the audit.</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>Workers condition</td>
<td>Evaluate the need to describe the practices adopted for women during pregnancy or breastfeeding.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evidenced the letter DERHU-A - 024/11 from May/2011, notifying the program to protect the woman’s work, and the need for relocation of activities for pregnant women and breast-feeding, when necessary. It was evidenced a letter to the following transport service providers: Arboris Ltda, Geoflora Soluções em Geotecnia, KTM, PPTA LEM, from June/2011.</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>Workers condition</td>
<td>Evaluate the need to inform the formula for calculating the production award for employees working under this scheme.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evidenced the letter DERHU-A - 024/11 from May/2011, notifying the need to inform workers about the awards and remuneration system of their activities/functions. Evidenced the list of presence of the company: LEM - 03/August/2011, to all workers.</td>
<td></td>
</tr>
</tbody>
</table>

16.3 - Evaluation of the general conformity level of the entity

Cenibra strong points are related to the PTEAS (Technical, Economical, Environmental and Social planning) – a previous planning on local impacts that comprises social, economical and environmental aspects; the Mutum Project and the handling and transport of chemicals, as well as the good relationship.
between managers and employees. The company has also considered and taken all measures to comply with the recommendations previously raised.

However, the audit team understands that the operational activities related to subcontractors regarding health and safety and working conditions can be better developed. At the same time, Cenibra has received stakeholder’s complaints (from Guanhães Worker’s Trade Union - SINDEX), regarding workers conditions for subcontractors. The audit team has assessed closely these issues and will keep monitoring Cenibra’s and Subcontractor’s performances.

16.4 - Eventual changes in the scope of certification

There were no changes in the scope of the certification.

17 - Proposals regarding the certification decision

17.1 - Description of new recommendations

<table>
<thead>
<tr>
<th>Observation number</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>H</td>
<td>To provide better emergency signs along the worker’s lodge Cocais das Estrelas.</td>
</tr>
<tr>
<td>I</td>
<td>To include in the cover letter of stakeholder demands a place to assess the level of satisfaction of service provided to the claimant.</td>
</tr>
<tr>
<td>J</td>
<td>To indicate in the Management Plan where the description of skills and function is given and to provide information on how the effectiveness of training is evaluated.</td>
</tr>
<tr>
<td>K</td>
<td>To renew the contract with IPEF for the monitoring and management of exotic pests.</td>
</tr>
<tr>
<td>L</td>
<td>To remove cattle in the harvesting areas, in order to assure the proper health and safety conditions for workers and animals.</td>
</tr>
<tr>
<td>M</td>
<td>To include the conclusion of the fire drill in the report, in order to better comprehend the results of it.</td>
</tr>
<tr>
<td>N</td>
<td>To assist the implementation of preventive and corrective work accidents, along with subcontractors</td>
</tr>
<tr>
<td>O</td>
<td>To check the possibility of providing waterproof boots for workers in the rainy season.</td>
</tr>
<tr>
<td>P</td>
<td>To consider the installation of emergency kits for small leaks in the pesticides storage areas.</td>
</tr>
<tr>
<td>Q</td>
<td>To consider the inclusion of physical risk “heat” in the PPRA (Program of Environmental Risk Prevention) of the subcontractor DJ, for workers who are directly exposed to sunlight.</td>
</tr>
<tr>
<td>N°</td>
<td>Minor corrective action requested</td>
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<tr>
<td>----</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>08</td>
<td>To shown in the Management Plan the following indicators: definition and assignment of responsibility for professionals responsible for preparing the plan; Responsibility for review of the plan; Results of health and safety monitoring and to create a public summary of the Management Plan.</td>
</tr>
<tr>
<td>09</td>
<td>To implement health monitoring of subcontractor’s workers according to the risks related to each activity, and include it in the health control annual report (PCMSO).</td>
</tr>
<tr>
<td>10</td>
<td>To monitor legal requirements on health and safety of the drivers who deliver wood in Virginópolis logyard in order not to breach FSC Principles and Criteria.</td>
</tr>
<tr>
<td>11</td>
<td>To provide safety glasses for employees who require the use of glasses.</td>
</tr>
<tr>
<td>12</td>
<td>Insert the certificate number on transport documentation, to ensure traceability and distinction between certified and non certified wood.</td>
</tr>
<tr>
<td>13</td>
<td>To develop the ergonomics analysis for Emflora (subcontractor) silviculture workers and other subcontractors.</td>
</tr>
<tr>
<td>14</td>
<td>To implement measures to ensure the minimum temperature for proper conservation of food on the buses that remain in the field.</td>
</tr>
<tr>
<td>15</td>
<td>To reduce the risk level of manual operations in areas of steep slopes.</td>
</tr>
<tr>
<td>16</td>
<td>To keep the phone 0800-2833829 available for complaints and other claims - related to driving performance of Cenibra vehicles and others acting on its behalf.</td>
</tr>
</tbody>
</table>

**Comments on the minor CAR:**
**CAR 08:** The Management Plan verified did not present all information requested by BV check-lists and the public document was not a summary, but a more complete document. However, most of the information needed was shown in the Management Plan and only a few elements were missing. The CAR is minor because it is considered a minor deviation, regarding only to documentation of management.

**CAR 09:** KTM Subcontractor performs annual health monitoring, but the exams do not consider their operational activities and the potential consequences on worker’s health. The CAR is minor because no major issue related to health of workers, as evidenced during interviews.

**CAR 10:** Health and Safety instructions of truck drivers from other non certified areas (control wood) that deliver wood in the company’s logyard are not monitored by Cenibra. The CAR is minor because only a few drivers that deliver the wood showed some lack of proper equipment, and no accident was registered in these areas.

**CAR 11:** Evidenced rural workers without goggles because they use glasses. All other PPE is available for workers. The CAR is minor because is a punctual deviation, regarding a single worker.

**CAR 12:** Evidenced that the transport documentation does not refer to the FSC FM/COC certificate number. The Company used an internal code, that is just possible to track when wood enter in the logyard. The CAR is minor because the logs can be still be tracked.

**CAR 13:** Evidenced that an ergonomic study was developed for harvesting and shipment on May 2011, however, measures have not yet been implemented. The CAR is minor because the company has a plan of action to start the implementations.

**CAR 14:** Evidenced at Morro do Chapéu farm that the electrical resistance of the "Hotbox 35" did not work. Buses carrying workers must have power outlets sufficient to keep all "Hotboxes" and coolers working properly until food is served for consumption. The bus verified had only one socket to two coolers. It should also be emphasized the need to have 12 volt battery on all buses, so there is no overheating of the pots. The subcontractor claimed that they did not warmed the Hotbox up due to the fact that food may became dry and burned. The CAR is minor because it was a single event found in the field, Other areas comply with the food temperature.

**CAR 15:** It was found excess woody material in some steep slopes, making the movement of workers difficult that could also cause accidents with cuts and/or fractures. The finding of unsafe condition was from Morro do Chapéu farm – Nova Era region. The CAR is minor because the company is evaluating techniques to avoid risks in these steep areas, as well as monitoring accidents records.
CAR 16: Evidenced on August 25, 2011 at 09:24 am, the lack of an effective system to register complaints about Cenibra’s vehicles. The auditor tried to call the given number, but it did not work properly. The CAR is minor because it is a punctual event. The number works and exists, and there are other channels of communication available.

17.3 - New Major Corrective Action Requests

No Major CAR was raised in the first surveillance.

17.4 - Conclusion of the audit team

The first surveillance audit was carried out as planned and it is concluded that, even though some non-conformities were raised, the organization does not present any major deviation regarding FSC principles and criteria. It follows therefore that Cenibra may continue the FSC-certified forest management of all regions and FMUs presented in its scope.

18 - Certification decision

After analysis of the conclusions of the audit team and after review of the Corrective Action Request, Bureau Veritas Certification decides to maintain the FSC certificate of the company. Nevertheless the company shall implement the necessary actions to answer the minor CARs and to maintain the conformity to the FSC applicable standards.


FSC FM Certification Manager, Lead Auditor,

Vincent PELE Maria Augusta Godoy
C. Surveillance audit n° 2

19 - Base of evaluation

19.1 - Date of the surveillance evaluation:
March 26th to 30th, 2012

19.2 - Composition of the audit team

Lead auditor: - Mrs. Maria Augusta Godoy, Forest Engineer, MSc. in Forest Ecology and Management, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Environmental Impact, Biodiversity and Protected Areas Expert, employee.

Auditors: - Antonio Carlos Busnardo, FSC FM qualified auditor on behalf of Bureau Veritas Certification, leader Auditor in ISO 9001, 14001, OHSAS 18001 and CERFLOR, independent consultant.
- Fábio Alves, Forest Engineer, FSC FM qualified auditor, Auditor in FSC Chain of Custody and CERFLOR, independent consultant.

Specialist: - Mr. Waldomiro Ferreira, Specialist in Health and Safety, independent auditor on OHSAS 18001, coordinator of the post graduation course on environmental management at SENAC.

19.3 - Forest management referential used for the surveillance audit
For the 2nd surveillance audit, we referred to the checklist SF03 FSC FM V1.0 extracted from the forest management referential RF03 FSC FM BV para Florestas Plantadas Brasil_v1.0 (Plantations) , from November 2009. This last version has been updated and is available on the website, www.bureauveritas.com/certification or upon request to Bureau Veritas Certification.

All detailed information regarding the audit can be found in the check-list attached on Appendix I.
# 20 - Information collecting modalities

## 20.1 - Description of the audit program

<table>
<thead>
<tr>
<th>TRANSFER AUDIT</th>
<th>Person</th>
<th>Date</th>
<th>Time</th>
<th>Place</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Travelling</td>
</tr>
<tr>
<td>MPG</td>
<td></td>
<td></td>
<td>am</td>
<td>Belo Oriente</td>
<td>- Auditors’ travel</td>
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<tr>
<td>BUS</td>
<td></td>
<td></td>
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<td>- Arrival of the audit team at the company sites</td>
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<tr>
<td>FAA</td>
<td></td>
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<td>pm</td>
<td>Belo Oriente</td>
<td>- First internal meeting of the team to prepare the Transfer Audit</td>
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<tr>
<td>MPG</td>
<td>26/03/2012</td>
<td>am</td>
<td>Belo Oriente</td>
<td>- Organisation of the sites visit (forest farms, villages, logging sites, etc)</td>
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<tr>
<td>BUS</td>
<td></td>
<td></td>
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<tr>
<td>FAA</td>
<td></td>
<td></td>
<td>am</td>
<td>Nova Era</td>
<td>- Opening meeting (presence of the managers and his staff ; about 30 min) : Introducing BV, presentation of the team, explain the purpose of the Surveillance Audit, short presentation of the company, confirmation of business confidentiality, presentation of the method of the audit and the information requested, agreed itinerary and accommodation organisation, confirm the availability of one or two appropriate member of the staff to accompany the team,...</td>
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<tr>
<td>MPG</td>
<td></td>
<td></td>
<td>pm</td>
<td>Belo Oriente</td>
<td>- Principle 2 (land titles, channel of communication, legal reserves docs)</td>
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<tr>
<td>BUS</td>
<td></td>
<td></td>
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<td></td>
<td>- CAR assessments</td>
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<tr>
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<td>27/03/2012</td>
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<td>Belo Oriente</td>
<td>- Principle 9 – HCVF -docs</td>
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<tr>
<td>MPG</td>
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<td></td>
<td></td>
<td></td>
<td>- Environmental Monitoring (P8)</td>
</tr>
<tr>
<td>BUS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Invasive species program</td>
</tr>
</tbody>
</table>

### Stakeholder consultation
<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Activities</th>
</tr>
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<tbody>
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<td>FAA</td>
<td></td>
<td>Belo Oriente</td>
<td>- Social Programs</td>
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<td>- Principle 2 and 4</td>
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<td>- Social Programs</td>
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<td>- Principle 5 – Regional Economical development</td>
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<tr>
<td>MPG</td>
<td>pm</td>
<td>Belo Oriente</td>
<td>- HCVF verification</td>
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<td>- Restoration of degraded areas</td>
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<td>- Environmental Planning (P10)</td>
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<td>Nova Era</td>
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<td>- Health and Safety documents</td>
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<tr>
<td>FAA</td>
<td>pm</td>
<td>Belo Oriente</td>
<td>- Inventory</td>
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<td>- Planning- forest operations</td>
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<td>MPG</td>
<td>am</td>
<td>Guanhães region</td>
<td>- Traveling to Guanhães</td>
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<td></td>
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<td>- Harvesting operations</td>
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<td>- Principle 4,6 and 10</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Meeting with EMFLORA</td>
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<tr>
<td>BUS</td>
<td>27/03/2012</td>
<td>am</td>
<td>Nova Era</td>
</tr>
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<td>- Chemical warehouse</td>
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<tr>
<td>FAA</td>
<td>pm</td>
<td>Rio Doce</td>
<td>- Traveling to Rio Doce</td>
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<td>- Harvesting and Silviculture operations</td>
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<td></td>
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<td>- Principle 4,6 and 10</td>
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<tr>
<td>MPG</td>
<td></td>
<td>Guanhães</td>
<td>- Silviculture activities</td>
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<td></td>
<td></td>
<td>- Principle 4,6 and 10</td>
</tr>
<tr>
<td>BUS</td>
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<td>Nova Era</td>
<td>- Breeding</td>
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<td>- Research and development</td>
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<td>Piratini</td>
<td>- Silviculture or Harvesting</td>
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<td></td>
<td>- Principle 4,6 and 10</td>
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<td>Guanhães</td>
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<td>- Subcontractor – complaint verification – EMFLORA and SINDEX</td>
</tr>
<tr>
<td>BUS</td>
<td></td>
<td>Nova Era</td>
<td>- Harvesting and Silviculture operations</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>- Permanent Preservation Areas/Legal reserve conditions</td>
</tr>
<tr>
<td>FAA</td>
<td>Belo Oriente</td>
<td>- Principle 4, 6 and 10</td>
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</tr>
<tr>
<td>MPG</td>
<td>Guanhães</td>
<td>- Nursery</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Derogation docs</td>
<td></td>
</tr>
<tr>
<td>BUS</td>
<td>Nova Era</td>
<td>- Principle 8 – Monitorings</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Invoices/trademark use</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Travelling to Belo Oriente</td>
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</tr>
<tr>
<td>FAA</td>
<td>Belo Oriente</td>
<td>- Training</td>
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<td>- Complaints management</td>
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<td></td>
<td></td>
<td>- Communication channels</td>
<td></td>
</tr>
<tr>
<td>MPG</td>
<td>Belo Oriente</td>
<td>- Audit team meeting; final Wording of the Corrective action Request and other documents.</td>
<td></td>
</tr>
<tr>
<td>BUS</td>
<td>Belo Oriente</td>
<td>- Intermediate meeting with the member of the company in charge of the certification.</td>
<td></td>
</tr>
<tr>
<td>FAA</td>
<td>Belo Oriente</td>
<td>- Closing meeting. Presence of the management and his staff is requested. Presentation of the Corrective Action Request, Reminding of the procedure, conclusion of the Transfer audit questions.</td>
<td></td>
</tr>
<tr>
<td>30/03/2012</td>
<td>pm</td>
<td>- Return/Travelling</td>
<td></td>
</tr>
</tbody>
</table>

### 20.2 - Total man days for the audit

In total, the audit team took 13,5 man days to perform the audit, including time spent on auditing documents and records, interviewing stakeholders, and carrying out field work. Time spending with traveling was around 1,5 man days.

### 20.3 - On-site visit(s)

FMUs:
- FMU Macedonia
- Central office – Belo Oriente
- Nursery
- FMU Água Limpa, Ipaba
- FMU Beira Rio
- FMU Marola – Stand 459 P05
- FMU Côrrego do Brejo, stand 311
- FMU Central, Stand Nº 318
- FMU Valéria, Stand 24
- FMU Abre Campo, stand 666
- FMU Placa, stand 10
- FMU Valéria II, Stand 173
- FMU Paciência
- FMU Corrente Canoa Carvalho – stand 70
- FMU Córrego das Almas

20.4 - Documents review

Management Plan rev. 8.0
Management Plan – public summary, rev 8.0
HCVF Macedonia – management, attributes, monitoring and description.
Environmental licenses – see check list for details of licenses;
Monitoring registries – fauna, flora, water resources;
Environmental and Social programs documents and registries;
Flora and Fauna studies;
Health and Safety documents
Ergonomic studies
Operational activities – harvesting procedures, integrated pest management, service orders, fauna and flora monitoring
Social and legal procedures – communication, land dispute datasheet;
Complaints management spread sheet;
Chemical products list and consumption;
Occupational Risk Assessments –of 2011, EMFLORA Subcontractor;
Training records
PPRA (Program for the Prevention of Environmental Risks)
PCMSO (Program on Occupational Health Control) of Cenibra´s subcontractors (EMFLORA).

More information regarding documents review are showed in the check-list attached (Appendix)

20.5 - Stakeholders identification and consultation

Stakeholders were first identified during the transfer audit (30th of March 2011), then prior and during the surveillance audit (22nd to 26th of August 2011). Also, during this surveillance audit, stakeholders were interviewed on May 28th and 29th 2012.

We received comments prior to the surveillance audit from the followings:
- Mr. José Maria Soares - President – Gunhães Worker´s Trade Union (SINDEX)

During this audit we interviewed the followings:
- Mr. José Maria Soares – SINDEX – Worker´s Trade Union
20.6 - Interview(s) of involved people met

- Manager(s):
  - Mr. Paulo Dantas – Environment Department - Manager
  - Mrs. Marta Miranda – Health and Safety Coordinator
  - Mr. Gilberth de Paula Ferrari: Coordenator DESIL –N
  - Mr. Marciano Tomasi Horta – Harvesting Supervisor

- Employee(s):
  - Mr. André Sanches – forest engineer
  - Mr. Wander Telles – safety engineer
  - Mr. Jacinto Moreira – forest engineer
  - Mr. Edson Valgas – Biologist
  - Mr. Cristiano Veiga Valadares – Communication
  - Mr. Rogério de Paula Freitas – Lawyer – Law Department
  - Mrs. Valéria Paula de Souza – Technician – Law Department
  - Mr. Vicente - Lawyer – Law Department
  - Mr. Edson Valgas – biologist
  - Mr. Marcelo Axer- Environmental Analyst
  - Mrs. Aline Salles Assis Lucas – Management System Analyst
  - Mr. Amauri Pinheiro Ferreira – Forest engineer
  - Mr. Mary Easter Santana – Institutional relations
  - Mrs. Deise Lúcia Dias e Santiago - Institutional Analyst
  - Mrs. Aline Salles Assis Lucas – Management Analyst
  - Mr. Sebastião Tomás Carvalho – Environmental Specialist
  - Mr. Marcos Vinicius Almeida Francisco: Warehouse staff
  - Mr. Tarciso Francisco Pinto: Health and Safety Technician
  - Mrs. Joice Maria Carvalho Paiva: Labour Nurse – Regional Nova Era
  - Mr. Arimar de Carvalho Ferreira: Sênior Specialista

- Sub contractors:
  - Mr. Dinaldo Pereira Fernandes: Director DJ Serviços Rurais Ltda.
  - Mr. Wellington Pereira: Supervisor Florestal DJ Serviços Rurais Ltda.
  - Mr. Alessandra Bicolhoo Araújo: Technician of Health and Safety - DJ Serviços Rurais Ltda.
- Mr. Geraldo M. de Santos Cruz: Technician of Health and Safety - DJ Serviços Rurais Ltda.
- Mrs. Cristiane Pereira Lasmar: Quality Supervisor - DJ Serviços Rurais Ltda.
- Mrs. Maria Sueli de Oliveira: Nurse Technician - DJ Serviços Rurais Ltda.
- Mr. José Melquiades: Forest worker - DJ Serviços Rurais Ltda.
- Mrs. Cláudia de Souza: Forest worker - DJ Serviços Rurais Ltda.
- Mr. Marcos Antonio Jacinto: Forest worker - DJ Serviços Rurais Ltda.
- Mr. Manoel Messias Duarte Ferreira Jr.: Forest worker - DJ Serviços Rurais Ltda.
- Mr. Geraldo Raimundo da Silva: Forest worker - DJ Serviços Rurais Ltda.

Mr. Geraldo M. de Santos Cruz: Technician of Health and Safety - DJ Serviços Rurais Ltda.
Mrs. Cristiane Pereira Lasmar: Quality Supervisor - DJ Serviços Rurais Ltda.
Mrs. Maria Sueli de Oliveira: Nurse Technician - DJ Serviços Rurais Ltda.
Mr. José Melquiades: Forest worker - DJ Serviços Rurais Ltda.
Mrs. Gercina Nomato da Silva Ferreira: Forest worker – DJ Serviços Rurais
Mr. Dyani das Dores: Forest worker – DJ Serviços Rurais Ltda.
Mr. Expedito Lelis Quintão: Forest worker – DJ Serviços Rurais Ltda.
Mr. Cláudio Aparecido dos Santos: Forest worker – DJ Serviços Rurais Ltda.
Mr. Roberto Pereira de Souza: Chainsaw operator – Company Planejar Serviços Agroflorestais Ltda.
Mr. Edimilson Ferreira Machado: Operador de Máquina Laudisnei Martins Figueiredo: recebedor de madeira.
Mr. Divanir Santana da Silva: Líder Operacional – Planejar Serviços Agroflorestais Ltda.
20.7 - Other evaluation techniques

No other evaluation technique was performed besides visiting sites, offices, consulting stakeholders, verifying documentation, interviewing employees and sub contractors.

20.8 - FSC trademark use control

The FSC trademark is rarely used by the company. In Cenibra webpage it is just mentioned the FSC Certification. Wood delivery notes and company website verified. No deviation found.

20.9 - Controversial elements

There was no controversial element identified in this first surveillance audit.

20.10 - Changes since last audit

No changes were identified since the last audit.

20.11 - Surveillance audit closing meeting

Cenibra staff has agreed with the CARs and observations raised by the audit team. The Audited body’s representative has signed the SF02 presented (attached).

21 - Audit team observations

21.1 - Actions taken in order to answer to the Corrective Action Requests from the previous audit

<table>
<thead>
<tr>
<th>CAR #</th>
<th>CAR description</th>
<th>P&amp;C indicator number</th>
<th>Action taken by the entity to close the CAR</th>
<th>Closed/Open</th>
<th>Date of closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>08</td>
<td>To shown in the Management Plan the following indicators: definition and assignment of responsibility for professionals responsible for preparing the plan; Responsibility for review of the plan; Results of health and safety monitoring and to create a public summary of the Management Plan.</td>
<td>7.2</td>
<td>Management Plan v8.0 evidenced. Table with responsibilities for preparing the Management Plan, position and duties verified. A section on occupational health and safety was also included is. Results of occupational health campaigns in 2011 demonstrated. Public Summary 2011 - evidenced. The document is available on the intranet and internet (<a href="http://www.cenibra.com.br">www.cenibra.com.br</a>) , to the service providers and when requested.</td>
<td>Closed</td>
<td>30/03/2012</td>
</tr>
<tr>
<td>CAR #</td>
<td>CAR description</td>
<td>P&amp;C indicator number</td>
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</tr>
<tr>
<td>09</td>
<td>To implement health monitoring of subcontractor’s workers according to the risks related to each activity, and include it in the health control annual report (PCMSO).</td>
<td>4.2.3</td>
<td>PCMSO verified for subcontractor DJ, January to December 2012, developed by Dr. Gustavo Miguel Gontijo Tostes CRM MG 4215, MT 174, Coordinator of the PCMSO. &quot;Routine Inspection Report&quot; evidenced – developed by the Nurse Technician, as examples of evidence:  - Routine Inspection Report, No. 000.284, DERHU - A day held 22/03/2012, CNBF-1030, held in the company KTM Activity: Forest Harvesting  - Routine Inspection Report No. 000285, from 22.03.2012, Company DJ, Forestry Activity: Combat Ant. Evidenced its Plan of Action issued on 26.03.2012, on the identification of six cases of Opportunities for Improvement / Comments, and their evidence of completion for all situations identified.</td>
<td>Closed</td>
<td>30/03/2012</td>
</tr>
<tr>
<td>10</td>
<td>To monitor legal requirements on health and safety of the drivers who deliver wood in Virginópolis logyard in order not to breach FSC Principles and Criteria.</td>
<td>1.6.4</td>
<td>Pátio Costa Lacerda verified and no deviations found in regards to drivers health and safety. Vehicles were in good conditions. Brochure on health and safety for wood suppliers verified.</td>
<td>Closed</td>
<td>30/03/2012</td>
</tr>
<tr>
<td>11</td>
<td>To provide safety glasses for employees who require the use of glasses.</td>
<td>4.2.4</td>
<td>Verified by interviews on field workers. No deviations found. Verified letter sent on 11.30.2011, No. DERHU - 034/2011 from Cenibra to subcontractors addressing the need to provide safety glasses for employees who require the use of it.</td>
<td>Closed</td>
<td>30/03/2012</td>
</tr>
<tr>
<td>CAR #</td>
<td>CAR description</td>
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<tr>
<td>12</td>
<td>Insert the certificate number on transport documentation, to ensure traceability and distinction between certified and non certified wood.</td>
<td>8.3.7</td>
<td>Verified the availability of the documents relating to the Wood Delivery Invoices, accompanying each load of wood transported to Central Receiving located in the Courtyard Costa Lacerda. Upon receipt at Patio Lacerda Costa, all wood truck are weighed and wood volume verified. During the inspection of the receipt and storage at the Costa Lacerda logyard, all loads of wood came from FSC certified forests. Evidenced: - Nota de Transporte de Madeira Nº 805793, dia: 26/03/2012, Projeto Valéria, Talhão 24, Veículos placas: EJY 4088, CUC 5578, e CUC 5571, Vale Balança Nº 00492328, Transportadora: Transporte Nepomucena SA, , 63.770,00 kg; - Nota de Transporte de Madeira Nº 805799 Talhão 24, Projeto Valéria, Veículos placas: EJY 4090, CUC 5574, e CUC 5587, Vale Balança Nº 00492276, , 61.950 kg; - Nota de Transporte de Madeira Nº 805815, dia 27/03/12, Talhão 24, Projeto Valéria, Vale Balança Nº 00492376, 62.790 kg.</td>
<td>Closed</td>
<td>30/03/2012</td>
</tr>
<tr>
<td>13</td>
<td>To develop the ergonomics analysis for Emflora (subcontractor) silviculture workers and other subcontractors.</td>
<td>4.2.1</td>
<td>Ergonomic Analysis verified for silviculture and harvesting operations. Verified the implementation of new technics for harvesting operations after the development of ergonomic studies.</td>
<td>Closed</td>
<td>30/03/2012</td>
</tr>
<tr>
<td>CAR #</td>
<td>CAR description</td>
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<tr>
<td>14</td>
<td>To implement measures to ensure the minimum temperature for proper conservation of food on the buses that remain in the field.</td>
<td>4.2.6</td>
<td>Verified in field activities that food was delivered in a adequate temperature. The measure of the temperature is carried out every two weeks during the visit of the company's nutritionist (GR), which conducts satisfaction surveys with users. No deviations were found regarding food temperature during interviews with subcontractor’s workers: KTM, DJ and Emflora.</td>
<td>Closed</td>
<td>30/03/2012</td>
</tr>
<tr>
<td>15</td>
<td>To reduce the risk level of manual operations in areas of steep slopes.</td>
<td>4.2.2</td>
<td>Records of accidents were checked, accident statistics verified. The harvesting operations were significantly changed in order to reduce risks in high slope areas. It was found that since the cessation of activity of stacking bolts with hatchet, the number of accidents was reduced. The perceived level of risk was also clearly revealed during an interview with chainsaw operators in the field, once the high-risk activity was banished from the company since the beginning of the year. Stacking bolts activity was replaced by another type of operation called “corte em talha”, where a cable is used to orient the tree fall to the slope and only than the chain saw is used to the final cutting process.</td>
<td>Closed</td>
<td>30/03/2012</td>
</tr>
<tr>
<td>16</td>
<td>To keep the phone 0800-2833829 available for complaints and other claims related to driving performance of Cenibra vehicles and others acting on its behalf.</td>
<td>4.4.2</td>
<td>The old system in place was changed to another communication procedure, which transfers the call directly to the communication department and related areas. Verified the broadcast of the telephone number and contact for complaints. A worksheet was shown with respect to incoming calls, date, time, person who received the subject and monitoring of the network transport activities. The auditor also tried to call the number and verified the new system is working accordingly. Evidenced the traceability of a call on 10th, 2012, regarding driver’s monitoring.</td>
<td>Closed</td>
<td>26/03/2012</td>
</tr>
</tbody>
</table>
Comments:
A specialist in Helath and Safety was brought into the audit in order to verifiy complaints received by SINDEX – Workers Trade Union – together with a meeting with SINDEX president. All complaints were verified and 4 new non conformities were raised in this regard.

21.2 - Action taken in order to answer to previous recommendation

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Comment</th>
<th>Actions Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>H</td>
<td>To provide better emergency signs along the worker’s lodge Cocal das Estrelas.</td>
<td>The company has implemented signs and banners in and in the surrounding areas of the Worker`s lodge. An ambulance sign is being provided.</td>
</tr>
<tr>
<td>I</td>
<td>To include in the cover letter of stakeholder demands a place to assess the level of satisfaction of service provided to the claimant.</td>
<td>Procedure P0552, version 11 “Communication with Stakeholders” - revised to insert Cenibra analysis of the its performance. Meeting minute from 13/10/2011 - which will be inserted the research on public opinion of Cenibra operations.</td>
</tr>
<tr>
<td>J</td>
<td>To indicate in the Management Plan where the description of skills and function is given and to provide information on how the effectiveness of training is evaluated.</td>
<td>Table evidenced in the Management Plan, version 8.0.</td>
</tr>
<tr>
<td>K</td>
<td>To renew the contract with IPEF for the monitoring and management of exotic pests.</td>
<td>IPEF contract renewed number CNB 460002192/10 – pest monitoring.</td>
</tr>
<tr>
<td>L</td>
<td>To remove cattle in the harvesting areas, in order to assure the proper health and safety conditions for workers and animals.</td>
<td>Mapped areas with the potential presence of livestock, based on their occurrence. Environmental education actions implemented. Diagnosis of socio-economic region, to assess the potential presence of cattle in the region was also carried out, where surveillance was intensified. Minutes of meeting from 07/10/2011 - Department of Forestry, Environment and Relations with stakeholders - to discuss actions of cattle in areas Cenibra.</td>
</tr>
<tr>
<td>M</td>
<td>To include the conclusion of the fire drill in the report, in order to better comprehend the results of it.</td>
<td>Evidenced the document V9 P0341: System for Prevention and Control of Forest Fire, creation date: 21/12/09, next review: 03/03/2012, which describes the actions taken by organization to prevent and fight forest fires, such as composition and...</td>
</tr>
<tr>
<td>Ref.</td>
<td>N</td>
<td>To assist the implementation of preventive and corrective work accidents, along with subcontractors</td>
</tr>
<tr>
<td>------</td>
<td>---</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>O</td>
<td>To check the possibility of providing waterproof boots for workers in the rainy season.</td>
<td>Cenibra concluded that rubber boots do not have all health and safety requirements, and will not provide waterproof boots, also for cost reasons. Employees have two pairs of boots, which can rotate during the rainy days. The rainy seasons are concentrated in the summer (about 1200mm/yr).</td>
</tr>
<tr>
<td>P</td>
<td>To consider the installation of emergency kits for small leaks in the pesticides storage areas.</td>
<td>A kit for the collection of leaks in the areas of chemical storage was in place. Kit consists of a shovel, hoe, bucket bag with sawdust.</td>
</tr>
<tr>
<td>Q</td>
<td>To consider the inclusion of physical risk “heat” in the PPRA (Program of Environmental Risk Prevention) of the subcontractor DJ, for workers who are directly exposed to sunlight.</td>
<td>Letter sent on 11.30.2011, No. DERHU - 034/2011 - to subcontractors requesting inclusion of the risk “heat” in PPRAs. Audit will be done on subcontractors in relation to health and safety aspects, including analysis of PPRAs. This document also informed of the need to provide lenses for degree staff using goggles.</td>
</tr>
<tr>
<td>R</td>
<td>To consider the placement of mobile toilets closer to workers activities, as during field visits was observed 300 meters between the operation and bathrooms.</td>
<td>Letter sent on 11.30.2011, No. DERHU - 034/2011 - to subcontractors requesting toiletts in the field to be closer to worker’s activities</td>
</tr>
<tr>
<td>S</td>
<td>To intensify the transmission of information on endangered species, rare and endemic flora and fauna for employees of subcontractors.</td>
<td>Broadcasted Plan 2012 - evidenced. News called “FIBRA” February 2012 - with information on some species of fauna. Development of brochure on the topic - to be distributed in June/2012</td>
</tr>
<tr>
<td>T</td>
<td>To study the availability of equipment for coffee and late night snack in the Worker’s lodge Cocais das Estrelas.</td>
<td>Cenibra does not implement the late snack facilities due to the kitchen installed close to the Lodge.</td>
</tr>
<tr>
<td>U</td>
<td>To measure the consumption of reused water in the nursery.</td>
<td>The recommendation was not treated by Cenibra due to the fact that all water consumed in the nursery is reused in the area. Any loss is due to transpiration.</td>
</tr>
</tbody>
</table>
V  To evaluate the quality of reclaimed seedlings from the clonal nursery before dispatch.  
TECHNICAL RECOMMENDATION (seedling production - 2012, V. 01). Revision 12, applied to the nursery

21.3 - Evaluation of the general conformity level of the entity

Cenibra has considered and taken measures to comply with the recommendations previously raised, not only CARs. The company operates with a high level of transparency, and has an open and available channel of communication with stakeholders, also with the Worker’s Trade Union, that has pointed out some complaints. The company has also implemented new techniques to reduce the risk of accidents while harvesting slope areas.

However, Cenibra has still received stakeholder’s complaints (from Guanhães Worker’s Trade Union - SINDEX), regarding workers conditions for subcontractors. A consistent plan of action was showed to reduce the risk of accidents and to implement new procedures on harvesting. The audit team has assessed closely these issues and will keep monitoring Cenibra’s and Subcontractor’s performances.

21.4 - Eventual changes in the scope of certification

There was no change in the scope of the certificate.

22 - Proposals regarding the certification decision

22.1 - Description of new recommendations

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>It is recommended to set the cutoff for the evaluation of the high conservation value forests, given that many sites have common attributes in the region, but few are unique to the areas of Cenibra.</td>
</tr>
<tr>
<td>Y</td>
<td>It is recommended to establish procedures of the species reintroduced by Cenibra, in order not to lose the knowledge acquired by Mutum Project and to make it available to the scientific community.</td>
</tr>
<tr>
<td>Z</td>
<td>It is recommended to comply with the deadlines established to provide subsided meals to workers.</td>
</tr>
<tr>
<td>A1</td>
<td>It is recommended to assess conditions of PPEs provided to pesticides application, in way that the PPE is efficient and comfortable at the same time.</td>
</tr>
<tr>
<td>B1</td>
<td>It is recommended to organize the use of changing rooms in the field.</td>
</tr>
<tr>
<td>C1</td>
<td>It is recommended to define a method to broadcast and explain the benefit of health insurance of Emflora’s workers.</td>
</tr>
<tr>
<td>D1</td>
<td>It is recommended to reinforce the use of signs on Forest operations of at least 100 m before any activity.</td>
</tr>
<tr>
<td>E1</td>
<td>It is recommended to update information related to the ongoing research on biological contro, as requested in Condition 05 of FSC Derrogation.</td>
</tr>
</tbody>
</table>
F1  It is recommended to intensify training to subcontractor’s workers, addressing the proper use of PPEs and its importance, as well as the correct way to perform each activity.

G1  It is recommended to keep subcontractor’s gurney in good conditions and to standardize emergency box contents.

H1  It is recommended to follow and register the technical report of GGFP department of unexpected pests in the nursery.

I1  It is recommended to include as one one of the evidences of non conversion forests, the ITR document that shows information about the land cover before 1994.

J1  It is recommended to control the heavy weight of logging trucks that use internal roads in order to avoid damages and further repairings.

K1  It is recommended to provide enough space for all workers in the field living área.

L1  It is recommended to implement an adequate infra-structure to place chemicals in the field.

22.2 - New Minor Corrective Action Requests

<table>
<thead>
<tr>
<th>Nº</th>
<th>Minor corrective action requested</th>
<th>Proposed date of implementation</th>
<th>Requirement number</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>To adopt measure to minimize worker’s health risks on harvesting activities – “corte em talha”.</td>
<td>Until next audit</td>
<td>4.2.2</td>
</tr>
<tr>
<td>18</td>
<td>To complete the ergonomical analysis of the harvesting activity with the use of cables (“corte em talha”), comprising all health and safety aspects.</td>
<td>Until next audit</td>
<td>10.7.4</td>
</tr>
<tr>
<td>19</td>
<td>To make sure that CAT (Labour Accident Communications) are issued within the deadline established by law.</td>
<td>Until next audit</td>
<td>4.2.1</td>
</tr>
<tr>
<td>20</td>
<td>To ensure consistency between the information provided in the fire reports and other documents related.</td>
<td>Until next audit</td>
<td>10.7.4</td>
</tr>
<tr>
<td>21</td>
<td>To avoid conflict of information between PCMSO and PPRA.</td>
<td>Until next audit</td>
<td>4.2.1</td>
</tr>
</tbody>
</table>

Comments on the minor CAR:

CAR 17: Chain saw workers perform the final cutting over a pile of logs where the risk control is not minimized to its full potential. It is a minor CAR due to the fact that no accident was yet verified; however, it may cause future accidents.

CAR 18: The ergonomic studies developed in 2012 have failed in judgment on the analysis of the weight of the slide cable used in logging activities. The document did not consider the heavy weight carried per each worker. It is a minor CAR because there is just missing one point to be considered in the study.
CAR 19: CAT (Labour Accident Communications) were not issued in a proper time. Evidences: Workers Leonardo da Silva Costa (EMFLORA subcontractor) and Maria Aparecida Gomes da Silva (DJ subcontractor). It is a minor CAR due to the fact that all workers received immediate medical assistance and the company performed a cause analysis of the accident. It is a matter of timing on issuing the document, however, important to keep registries.

CAR 20: Fire reports with conflict or missing information. Evidences: There was a lack of the form CNBF 1450; forest fire from 12/02/2012, Projeto Central, Stand N° 318 was not mentioned in its full detail in the managerial report; MSDS of the product “LGE Class A Foam Concentrate Phos Check WD 881” in english, and employees were not able to read it. It is a minor CAR because fire control is in place and it is being effectively carried out.

CAR 21: CENIBRA’s PPRA reference only Physical Risk (Noise), to the mechanical function, while the base document PCMSO, reference Physical Risk, Risk Chemical and Ergonomic Risk. CENIBRA’s PCMSO does not reference the Ergonomic Risk for functions that use transport vehicles for inspection activities on a regular and periodic. It is Minor CAR because it is a documental matter.

22.3 - New Major Corrective Action Requests

<table>
<thead>
<tr>
<th>Nº</th>
<th>Major corrective action requested</th>
<th>Proposed date of implementation</th>
<th>Requirement number</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>To ensure that worker’s transport vehicles are in good conditions and to keep all records of maintenance.</td>
<td>90 days</td>
<td>4.2.5</td>
</tr>
</tbody>
</table>

Comments on major CAR:

CAR 22: Bus plate LNA 6226 used to transport workers to the field has failed on safety assessment (report N° 001521), however, despite the bad conditions of front and rear tires, it was used to transport workers to the activity of Ant Control. It is a major CAR due to the high risk of accident and the lack of managerial measures to avoid this situation.

22.4 - Conclusion of the audit team

The second surveillance audit was carried out as planned and it is concluded that, even though minor and major non conformities were raised, the organization does not present any risk on the commitment with FSC principles and criteria. It follows therefore that Cenibra may continue the FSC-certified forest management of all regions and FMUs presented in its scope, ensuring that the necessary actions are taken to correct the deviations found.

23 - Certification decision

After analysis of the conclusions of the audit team and after review of the Corrective Action Request, the Wood and Forestry department of Bureau Veritas Certification request the forest company CENIBRA LTDA to resolve the major Corrective Action Requests under a 3 month delay after this surveillance
audit. A complementary audit will be necessary to evaluate the conformity to the FSC standards.

Issued the May 29th 2012, reviewed the June 12nd 2012, finalised the June 21 2012.

FM certification technical manager, 

Vincent Pele

Lead Auditor,

Maria Augusta Godoy
D. Complementary Audit

24 - Base of evaluation

24.1 - Composition of the audit team

Lead auditor: Mrs. Maria Augusta Godoy, Forest Engineer, MSc. in Forest Ecology and Management, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Environmental Impact, Biodiversity and Protected Areas Expert, employee.

24.2 - Context of this audit

This audit refers to the follow-up actions taken by the company to close the majors CAR n°22 raised during the second surveillance audit. The current situation of minors CAR will be also verified.

24.3 - Forest management referential used for the audit

For the 2nd surveillance audit, we referred to the checklist SF03 FSC FM V1.0 extracted from the forest management referential RF03 FSC FM BV para Florestas Plantadas Brasil_v1.0 (Plantations), from November 2009. This last version has been updated and is available on the website, www.bureauveritas.com/certification or upon request to Bureau Veritas Certification.

25 - Information collecting modalities

25.1 - Description of the audit program

<table>
<thead>
<tr>
<th>AUDIT SCHEDULE</th>
<th>02 July 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person</td>
<td>Time</td>
</tr>
<tr>
<td>MPG</td>
<td>am</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>pm</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| MPG    | am   | Belo Oriente | Documents review |
|        | pm   | Belo Oriente | Documents Review - Associated Technical documents and records. |
25.2 - Documents review

Action Plan developed for each CAR previously raised
Records of Training
Ergonomic Studies of the harvesting activity with the use of cables, June 2012
Emflora – Procedures on Harvesting activities, June 2012
Procedure of harvesting activity with the use of cables – "Work Instruction, rev01"
Vehicle Inspection check-list from July 2nd 2012 (Bus plates KND1951 and LNA6226)
Procedure on Vehicle safety and gas emission, rev 6, Val 31/05/2014
Procedure - P0341 – V10, Fire control
Procedure P0713, v3 – Health and Safety on semi-mechanized harvesting activities (chainsaw)
Workshop on procedures management – power point presentation and training

25.3 - Interview(s) of involved people met

- Employee(s):
  - Mr. Eli Carlos Vieira – Harvester operator
  - Mrs. Marta Miranda – Health and Safety
  - Mr. José Antonio Stein – Vehicle Maintenance
  - Mr. Angelo Mauro - Vehicle Maintenance
  - Mrs. Roberta Leite – Forest Research
  - Mrs. Maria Jose – Quality Department
  - Mr. Valério Frossard – Quality Department

- Sub contractors:
  - Mrs. Ádila Caldas – Emflora – Ergonomic Studies
  - Mr. Edivaldo Batista Neves – Emflora – Bus driver
  - Mr. Leandro Braga – Emflora – chainsaw operator
  - Mr. João Dias Almeida – Emflora – chainsaw operator

25.4 - On-site visit(s)

FMU Água Branca – Guanhães Region
Central Office – Belo Oriente

25.5 - Stakeholders identification and consultation

Stakeholders were first identified during the transfer audit (30th of March 2011), then prior and during the surveillance audit (22nd to 26th of August 2011). Also, during this surveillance audit, stakeholders were interviewed on May 28th and 29th 2012. During the follow-up audit, employees and subcontractors were interviewed.
25.6 - Identification, traceability and monitoring of products

Not Applicable for this follow-up audit.

26 - Audit team observations

The company provided all documents and records needed to close all CARs raised previously. It has performed and developed new procedures, trainings and communicated stakeholders involved in order to solve any deviation in the process.

27 - Presentation of the answer to the Corrective Action Requested.

27.1 - Second Surveillance audit minor CAR

<table>
<thead>
<tr>
<th>CAR #</th>
<th>CAR description</th>
<th>P&amp;C indicator number</th>
<th>Action taken by the entity to close the CAR</th>
<th>Closed/ Open</th>
<th>Date of closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>To adopt measure to minimize worker’s health risks on harvesting activities – “corte em talha”</td>
<td>4.2.2</td>
<td>The company has modified its harvesting operation in order to avoid any risk to workers. Chainsaws are no longer used to cut logs of the cable harvesting activity. The final cutting over a pile of logs was banished in Cenibra. Only harvesting machines are in use to avoid any potential accident with workers. The activities taken were considered consistent and minimized the risk at its full potential.</td>
<td>Closed</td>
<td>02/July/2012</td>
</tr>
<tr>
<td>18</td>
<td>To complete the ergonomical analysis of the harvesting activity with the use of cables (“corte em talha”), comprising all health and safety aspects.</td>
<td>10.7.4</td>
<td>Evidenced the ergonomic studies reviewed on June 2012, considering the weigh of the cable and new conditions and procedures of the activity. The cable weigh was reduced on 50% and new tools for carrying it were developed. Exercises were introduced, such as stretching during field activities. An additional 10min pause was taken into account because of the new ergonomic studies.</td>
<td>Closed</td>
<td>02/July/2012</td>
</tr>
<tr>
<td>CAR #</td>
<td>CAR description</td>
<td>P&amp;C indicator number</td>
<td>Action taken by the entity to close the CAR</td>
<td>Closed/Open</td>
<td>Date of closure</td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------------------------------------------------------</td>
<td>---------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
<td>-------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>19</td>
<td>To make sure that CAT (Labour Accident Communications) are issued within the deadline established by law.</td>
<td>4.2.1</td>
<td>Training records evidenced to employees and subcontractors. A fine was established in case of the subcontractors do not comply with the legal requirement of issuing the document in due time. Training records: from June 20th and 25th 2012, considering PPRA, PCMSO, health and safety topics, accidents and so on.</td>
<td>Closed</td>
<td>02/July/2012</td>
</tr>
<tr>
<td>20</td>
<td>To ensure consistency between the information provided in the fire reports and other documents related.</td>
<td>10.7.4</td>
<td>Action Plan evidenced. Will be checked in the next surveillance audit</td>
<td>Open</td>
<td>30/March/2013</td>
</tr>
<tr>
<td>21</td>
<td>To avoid conflict of information between PCMSO and PPRA.</td>
<td>4.2.1</td>
<td>Action Plan evidenced. Will be checked in the next surveillance audit</td>
<td>Open</td>
<td>30/March/2013</td>
</tr>
</tbody>
</table>

**27.2 - Second Surveillance audit major CAR**

<table>
<thead>
<tr>
<th>CAR #</th>
<th>CAR description</th>
<th>P&amp;C indicator number</th>
<th>Action taken by the entity to close the CAR</th>
<th>Closed/Open</th>
<th>Date of closure</th>
</tr>
</thead>
</table>
To ensure that worker’s transport vehicles are in good conditions and to keep all records of maintenance.

4.2.5 Evidenced a inspection stamp in all vehicles used by Cenibra or subcontractor’s. The stamp shows that the vehicle is in a good condition and was inspected by Cenibra’s staff.

Evidenced the inspection performed on May 28\textsuperscript{th} 2012 of the Bus LNA 6226, which was approved for workers transportation.

Evidenced the Vehicle Inspection performed by Cenibra of the transportation bus plate number KND1951, assessed daily by the bus driver. Evidence of the first inspection perfomed by cenibra, where the vehicle was approved and stated as in good conditions.

Evidence of training provided to all subcontractor’s managers about the new actions regarding vehicles maintenance during a specific workshop on May 11\textsuperscript{th}, 2012.

Closed 02/July/2012

27.3 - Positive points
The company has performed very detailed study and has taken precise actions to close all CARs raised. The activities performed were extended to other areas of the company, in order to avoid any recurrence.

27.4 - Negative points
No comments needed.

28 - Scope retained for the certification
No change in the certification scope was verified.
28.1 - Geographical limitation at the level of the entity
   No change since the previous surveillance audit.

28.2 - Limitation at the level of the forest products
   No change since the previous surveillance audit.

29 - Proposals regarding the certification decision

29.1 - Explication on all rating, weighting systems or other systems used decisions taking
   The audit team did not use any rating or weighting system to conduct the initial audit.
   Actually, the whole referential’s requirements are considered equivalent and each criterion must be satisfied by the applicant entity. The non-conformity against each indicator is evaluated.
   The indices defined in the checklist, must be considered as guidance to the auditors.

29.2 - Clear description of all new recommendations and conditions associated to the certification decision
   No new recommendations raised during this complementary audit.

29.3 - New Minor Corrective Action Requests
   No new minor CAR raised during this complementary audit.

29.4 - New Major Corrective Action Requests
   No new major CAR raised during this complementary audit.

29.5 - Proposal of conclusion on whether the candidate entity achieved or not the required level of conformance
   The follow-up audit was carried out as planned and it is concluded that the 1 major CAR and 3 Minor CARs were closed by the company with satisfactory elements.
   The organization performed detailed and consistent studies and activities to close the Corrective Actions Request previously raised. Within the assessment, two minor CARs are still under implementation, and will be further assessed before March 30th 2013.
   Therefore, the auditor recommends Cenibra to keep up with the FSC-certified forest management of all regions and FMUs presented in its scope.

30 - Certification decision
After analysis of the conclusions of the audit team and after review of the Corrective Action Request, the Wood and Forestry department of Bureau Veritas Certification decides to maintain the FSC certificate of the company. Nevertheless the company shall implement the necessary actions to answer the 2 remaining minor CARs and to maintain the conformity to the FSC applicable standards.

Issued the July 5th 2012, reviewed the 12th July 2012, finalised 12th July 2012.

FSC FM Certification Manager, 

V.Pelé 

Lead Auditor, 

Maria Augusta Godoy
E. Surveillance audit n° 3

31 - Base of evaluation

31.1 - Date of the surveillance evaluation:
March 12th and 13th, 25th to 29th, 2013

31.2 - Composition of the audit team

Lead auditor: Mrs. Juliana Colpas, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Biologist and Chemistry, Auditor in ISO 9001, 14001, OHSAS 18001, SA 8000 and CERFLOR, independent consultant.

Auditors:
- Mr. Antonio Carlos Busnardo, FSC FM qualified auditor on behalf of Bureau Veritas Certification, leader Auditor in ISO 9001, 14001, OHSAS 18001 and CERFLOR, independent consultant.
- Mrs. Maria Augusta Godoy, Forest Engineer, MSc. in Forest Ecology and Management, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Environmental Impact, Biodiversity and Protected Areas Expert, employee.
- Mr. Fábio Alves, Forest Engineer, FSC FM qualified auditor, Auditor in FSC Chain of Custody and CERFLOR, independent consultant.

Specialist:

31.3 - Forest management referential used for the surveillance audit

For the 3rd surveillance audit, we referred to the checklist SF03 FSC FM V1.0 extracted from the forest management referential RF03 FSC FM BV para Florestas Plantadas Brasil_v1.0 (Plantations), from November 2009.

This last version has been updated and is available on the website, www.bureauveritas.com/certification or upon request to Bureau Veritas Certification.
All detailed information regarding the audit can be found in the check-list attached on Appendix I.

### 32 - Information collecting modalities

#### 32.1 - Description of the audit program

<table>
<thead>
<tr>
<th>Person</th>
<th>Date</th>
<th>Time</th>
<th>Place</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>RNN and FAA</td>
<td>12/03/2013</td>
<td>am</td>
<td>Belo Oriente</td>
<td>Opening meeting to explain the reason for the unannounced audit. Presence of the managers and his staff - Cenibra</td>
</tr>
<tr>
<td></td>
<td></td>
<td>pm</td>
<td>Belo Oriente</td>
<td>Document analysis: Management of subcontractors which perform forest services - Focus on Safety.</td>
</tr>
<tr>
<td>RNN and FAA</td>
<td>13/03/2013</td>
<td>am</td>
<td>Belo Oriente</td>
<td>Travel to Guanhães</td>
</tr>
<tr>
<td></td>
<td></td>
<td>pm</td>
<td>Guanhães</td>
<td>Analysis of documents studies of accidents at work in subcontractors.</td>
</tr>
<tr>
<td>FAA MPG BUS</td>
<td>18/03/2013</td>
<td>am</td>
<td>Belo Oriente</td>
<td>Opening meeting (presence of the managers and his staff : about 30 min) : Introducing BV, presentation of the team, explain the purpose of the Surveillance Audit, short presentation of the company, confirmation of business confidentiality, presentation of the method of the audit and the information requested, agreed itinerary and accommodation organisation, confirm the availability of one or two appropriate member of the staff to accompany the team,...</td>
</tr>
<tr>
<td>JBC</td>
<td></td>
<td></td>
<td></td>
<td>Meeting with the forest management Cenibra staff.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Project introduction of mechanization of harvesting and insourcing of hand labor. Exclusion of outsourcing.</td>
</tr>
<tr>
<td>Occupation</td>
<td>Location</td>
<td>Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>JBC</td>
<td>Belo Oriente</td>
<td>Social Programs, Principle 2 and 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUS</td>
<td>Belo Oriente</td>
<td>Principle 2 (land titles, channel of communication, legal reserves docs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MPG</td>
<td>Travelling</td>
<td>Travel to regional Guanhães</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAA</td>
<td></td>
<td>Travel to regional Nova Era</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUS</td>
<td>pm</td>
<td>Belo Oriente</td>
<td>Principle 6 - Environmental Monitoring - Soil and Water Resources, Principle 1 – legal requirements</td>
<td></td>
</tr>
<tr>
<td>JBC</td>
<td>am</td>
<td>Belo Oriente</td>
<td>Principle 9 – HCVF -docs, Environmental Monitoring (P8)</td>
<td></td>
</tr>
<tr>
<td>BUS</td>
<td>pm</td>
<td>Guanhães</td>
<td>Silviculture activities, Principle 4,6 and 10</td>
<td></td>
</tr>
<tr>
<td>MPG</td>
<td></td>
<td>Nova Era</td>
<td>Harvesting operations, Principle 4,6 and 10</td>
<td></td>
</tr>
<tr>
<td>FAA</td>
<td></td>
<td>Nova Era</td>
<td>Fire management, Health and Safety documents</td>
<td></td>
</tr>
<tr>
<td>MPG</td>
<td></td>
<td>Guanhães</td>
<td>Fire management, Health and Safety documents</td>
<td></td>
</tr>
<tr>
<td>JBC</td>
<td></td>
<td>Belo Oriente</td>
<td>Social Programs, Principle 2 and 4</td>
<td></td>
</tr>
<tr>
<td>MPG</td>
<td>20/03/2013 am</td>
<td>Guanhães</td>
<td>Stakeholder consultation – (worker’s union – regional Guanhães and Centaurus (partnership qualification of manpower in order to relocate laid off employees who may not want to work with Cenibra).</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Activity Details</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| FAA Nova Era | - Harvesting operations  
              - Principle 4,6 and 10                                                                         |
| BUS Belo Oriente | - Silviculture activities  
                          - Principle 4,6 and 10                                                                               |
| JBC Belo Oriente | - HCVF verification  
                         - Restoration of degraded areas  
                         - Environmental Planning (P10)                                                                          |
| MPG Nova Era  | - Silviculture activities  
                          - Principle 4,6 and 10                                                                               |
| FAA Guanhães | - Chemical warehouse                                                                                   |
| BUS Belo Oriente | - Harvesting operations  
                          - Principle 4,6 and 10                                                                               |
| JBC Belo Oriente | - Stakeholder consultation: Interview with worker’s union of pulp mill and  
                               worker’s union – regional Nova era.                                                                 |
| JBC Belo Oriente | Meeting with the Director of Cenibra                                                                     |
| MPG Guanhães | - Travel to Belo Oriente                                                                               |
| FAA Santa Bárbara | - Travel to Belo Oriente                                                                             |
| BUS Rio Doce   | - Harvesting and Silviculture operations  
                         - Principle 4,6 and 10                                                                               |
| FAA Belo Oriente | - Training  
                          - Complaints management  
                          - Communication channels                                                                                     |
| JBC Belo Oriente | - Visits to social projects: Apiculture (honey production) and Agriculture familiar.                    |
| MPG Belo Oriente | - CARs assessments                                                                                      |
| BUS Belo Oriente | - Silviculture or Harvesting  
                          - Principle 4,6 and 10                                                                               |
| FAA 22/03/2013 | - Audit team meeting; final Wording of the Corrective action Request and other documents.            |
| MPG 22/03/2013 |                                                                                  |
| BUS 22/03/2013 |                                                                                  |
32.2 - Total man days for the audit

In total, the audit team took 13.5 man days to perform the audit, including time spent on auditing documents and records, interviewing stakeholders, and carrying out field work. Time spending with traveling was around 1.5 man days.

32.3 - On-site visit(s)

FMUs:
- FMU Macedonia
- Central office – Belo Oriente
- FMU Água Limpa, Ipaba
- FMU Córrego das Pedras
- FMU Santa Rita
- FMU Cardeal
- FMU Costa Lacerda

32.4 - Documents review

Management Plan rev. 9.0
Management Plan – public summary, rev 9.0
HCVF Macedonia – management, attributes, monitoring and description.
Environmental licenses – see check list for details of licenses;
Monitoring registries – fauna, flora, water resources;
Environmental and Social programs documents and registries;
Flora and Fauna studies;
Health and Safety documents
Operational activities – harvesting procedures, integrated pest management, service orders, fauna and flora monitoring
Social and legal procedures – communication, land dispute datasheet;
Complaints management spread sheet;
Chemical products list and consumption;
Training records
PPRA (Program for the Prevention of Environmental Risks)
PCMSO (Program on Occupational Health Control) of Cenibra’s subcontractors

More information regarding documents review are showed in the check-list attached (Appendix)

32.5 - Stakeholders identification and consultation
Stakeholders were first identified during the transfer audit (30th of March 2011), then prior and during the surveillance audit (22nd to 26th of August 2011). Also, during this 3.surveillance audit, stakeholders were interviewed on March 19th and 22nd 2013.

We received comments prior to the surveillance audit from the followings:
- Mr. José Maria Soares - President – Guanhães Worker´s Trade Union (SINDEX);

During this audit we interviewed the followings:
- Mr. José Maria Soares – SINDEX – Worker´s Trade Union
- Mr. Antônio Francisco Marques – Presidente – Santa Bárbara Worker´s Trade Union (SINTICEL);
- Mr. Luis Otavio Martins Pinto de Azevedo - Analyst Environmental Centaurus Brazil Mining Ltda.
- Mr. Hamilton de Oliveira – Aapivale – Honey production.

32.6 - Interview(s) of involved people met
- Manager(s):

- Mr. Sandro Morais – Environmental and Quality Manager
- Mr. Paulo Dantas – Environmental Coordinator
- Mr. Deuseles Firme – Forestry Operations Manager
- Mr. Fernado Borel – Human Resources Manager
- Mrs. Marta Miranda – Health and Safety Coordinator

- Employee(s):

- Mr. André Sanches – Forest engineer
- Mr. Wander Telles – Safety engineer
- Mr. Jacinto Moreira – Environmental Specialist
- Mr. Edson Valgas – Biologist
- Mr. Cristiano Veiga Valadasres – Communication
- Mr. Rogério de Paula Freitas – Lawyer – Law Department
- Mrs. Valéria Paula de Souza – Technician – Law Department
- Mr. Vicente - Lawyer – Law Department
- Mr. Marcelo Axer - Environmental Analyst
- Mr. Mary Easter Santana – Institutional Relations
- Mr. Marcos Vinicius Almeida Francisco: Warehouse staff
- Mr. Tarciso Francisco Pinto: Health and Safety Technician
- Mr. Arimar de Carvalho Ferreira: Sênior Specialist
- Mrs. Márcia da Silva Rocha: Analyst Institutional Relations
- Mr. Lilian Smith - Lawyer
- Mr. Antonio Claret – Specialist
- Mr. Hudson Neves - Harvest Forest Supervisor
- Mr. Luiz Fernando - Monitor Operations

- Sub contractors:

- Mr. Salome Leonardo dos Santos - Head of Harvest
- Mr. Henrique de Oliveira Gomes - Senior Harvest Monitor
- Mr. Fernando da Silva - Auxiliary chainsaw
- Mr. Márcio da Silva - chainsaw operator
- Mr. Dalton Pereira de Andrade - responsible for the application of ashes - Emflora
- Mr. Juares Ferreira - Operations Supervisor - Emflora
- Mr. Renato Passos - Machine operator - Emflora
- Mr. José Reinaldo Carvalho - Machine operator - Emflora
- Mr. Giovan da Silva Rosa - Auxiliary chainsaw – Emflora
- Mr. Lelian Gomes - Auxiliary chainsaw – Emflora

32.7 - Other evaluation techniques

No other evaluation technique was performed besides visiting sites, offices, consulting stakeholders, verifying documentation, interviewing employees and sub contractors.

The only difference this audit was to extend the interviews with other labor unions forestry and pulp mill that, due to labor union demands SINDEX, it was decided to hold a meeting with the three parties involved: Workers Union, Cenibra and Bureau Veritas.

Important to mention that the staff of the Bureau Veritas has been intensely following the demands of the unions, along with experts in the field of health and safety and social aspects. This is because CENIBRA is altering the systematic work of forestry activities to mitigate the risks.

32.8 - FSC trademark use control

The FSC trademark is rarely used by the company. In Cenibra webpage it is just mentioned the FSC Certification. Wood delivery notes and company website verified. No deviation found.

32.9 - Controversial elements

There was no controversial element identified in this first surveillance audit.
32.10 - Changes since last audit

No changes were identified since the last audit.

32.11 - Surveillance audit closing meeting

Cenibra staff has agreed with the CARs and observations raised by the audit team. The Audited body’s representative has signed the SF02 presented (attached).

33 - Audit team observations

33.1 - Actions taken in order to answer to the Corrective Action Requests from the previous audit

<table>
<thead>
<tr>
<th>CAR #</th>
<th>CAR description</th>
<th>P&amp;C indicator number</th>
<th>Action taken by the entity to close the CAR</th>
<th>Closed/Open</th>
<th>Date of closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>To ensure consistency between the information provided in the fire reports and other documents related.</td>
<td>10.7.4</td>
<td>To avoid misunderstandings between preliminary and official information, enter CNBF on Form 1330 - Report of Forest Fire, the field &quot;Estimated affected area (ha)&quot;, stating date and signature of the evaluator and the end of the form, enter &quot;late hit area (ha)&quot;, and filling these fields must follow the criteria established in P0341 - System preventing and Combating Forest Fires. We requested the Honourable Geyza - Ascom-c to change the form CNBF-1330 Report of Forest Fire. Request to Mr. Anthony Claret inclusion within the system of the GPF, the mechanism for differentiation and control of information and reporting of forest fires, avoiding misunderstandings regarding estimates and final results of the affected areas. Request to Mr. Anthony Claret inclusion within the system of the GPF, the mechanism for differentiation and control of information and reporting of forest fires, avoiding misunderstandings regarding estimates and final results of the affected areas. Contact the person responsible for managing the Deope occurrences of fire in forest GPF System - Process Management was informed that Forest is in final parameter to control the flow of fire occurrences in GPF Design, Events module.</td>
<td>Closed</td>
<td>22/03/2013</td>
</tr>
</tbody>
</table>
### Comments:

Once again, this audit, a specialist in Health and Safety was brought into the audit in order to verify complaints received by SINDEX – Workers Trade Union – together with a meeting with SINDEX president. All complaints were verified and 2 new non conformities were raised in this regard.

### 33.2 - Action taken in order to answer to previous recommendation

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Comment</th>
<th>Actions Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>It is recommended to set the cutoff for the evaluation of the high conservation value forests, given that many sites have common attributes in the region, but few are unique to the areas of Cenibra</td>
<td>Review of matrix HCVA the procedure P-0884, v1. Cutoff in order to evaluate areas the uniqueness with respect to the attributes identified. The cutoff for definition must rely on the accumulation of at least 20 points to be defined as HCVF. In the case, the Treasury Macedonia reached 30 points.</td>
</tr>
<tr>
<td>Y</td>
<td>It is recommended to establish procedures of the species reintroduced by Cenibra, in order not to lose the knowledge acquired by Mutum Project and to make it available to the scientific community.</td>
<td>Protocol procedures for reintroduction of wild birds threatened with extinction evidenced.</td>
</tr>
<tr>
<td>Z</td>
<td>It is recommended to comply with the deadlines established to provide subsidied meals to workers.</td>
<td>Notification to service companies to meet the deadlines for delivery of food baskets - director and manager of forestry involved. This deviation was not identified during the audit requisite.</td>
</tr>
<tr>
<td>A1</td>
<td>It is recommended to assess conditions of PPEs provided to pesticides application, in way that the PPE is efficient and comfortable at the same time.</td>
<td>Sought to identify devices on the market that could be applied in the activity. International symposium attended EPI, held in August 2012 in Campinas - IAC. An analysis technique based on uniform national legislation and safety of PPE. Analysis of historical garments used in Brazil and laboratory authorized by law to do this review.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>B1</td>
<td>It is recommended to organize the use of changing rooms in the field.</td>
<td>Evidenced with emails requesting organization to service providers to manage the use of locker rooms in the field. Email Marta Miranda - responsible for health and safety - day 13/01/08. Evidenced report from Service Providers with photos of the new changing rooms with benches, poles and identification</td>
</tr>
<tr>
<td>C1</td>
<td>It is recommended to define a method to broadcast and explain the benefit of health insurance of Emflora’s workers.</td>
<td>Process outsourcing is shutting down Cenibra, and this recommendation is no longer applicable.</td>
</tr>
<tr>
<td>D1</td>
<td>It is recommended to reinforce the use of signs on Forest operations of at least 100 m before any activity.</td>
<td>No deviations shown on the field. Work fronts flagged.</td>
</tr>
<tr>
<td>E1</td>
<td>It is recommended to update information related to the ongoing research on biological contro, as requested in Condition 05 of FSC Derrogation.</td>
<td>New alternatives for Fipronil and sulfurlamid evidenced in technical report 142 \ 2012 - monitoring of the conditions of the FSC. Dose of bait was applied and 6g \ m2 sauveiro. 33% of monitored areas received no ant. A study conducted by the PCCF partnership with Cenibra evaluated other alternatives to control ants. So far there is no conclusive studies.</td>
</tr>
<tr>
<td>F1</td>
<td>It is recommended to intensify training to subcontractor’s workers, addressing the proper use of PPEs and its importance, as well as the correct way to perform each activity.</td>
<td>Were asked to subcontractors implementing new recycling training in the uses of PPE.</td>
</tr>
<tr>
<td>G1</td>
<td>It is recommended to keep subcontractor’s gurney in good conditions and to standardize emergency box contents.</td>
<td>Realized make new bags with PPEs.</td>
</tr>
<tr>
<td>H1</td>
<td>It is recommended to follow and register the technical report of GGFP department of unexpected pests in the nursery.</td>
<td>Evidenced Action Plan and implemented Visit Report Technical GGFP-P (DEPLA-D) for registration and attendance at nursery pests.</td>
</tr>
<tr>
<td>I1</td>
<td>It is recommended to include as one one of the evidences of non conversion forests, the ITR document that shows information about the land cover before 1994.</td>
<td>In progresses Evidenced Corrective Action Plan and project execution in progress. The company opted not to use the ITR as evidenced by understanding that other methods are sufficient. The implementation of a specific procedure for conversion analysis is andamento. Esta recomendação should be checked again at the next audit.</td>
</tr>
<tr>
<td>J1</td>
<td>It is recommended to control the heavy weight of logging trucks that use internal roads in order to avoid damages and further repairings.</td>
<td>All non-conforming vehicles identified in scales and monitoring, will be notified.</td>
</tr>
<tr>
<td>K1</td>
<td>It is recommended to provide enough space for all workers in the field living area.</td>
<td>Evidenced inspection reports Cenibra sampling in different areas and different EPSs contemplating serving</td>
</tr>
<tr>
<td>L1</td>
<td>It is recommended to implement an adequate infra-structure to place chemicals in the field.</td>
<td>Evidenced corrective action photos that demonstrate the deployment of tents suitable for storing chemicals outdoors. Used awning and new weaponry, with the placement of wood as a platform to avoid direct contact with the soil</td>
</tr>
</tbody>
</table>

33.3 - Evaluation of the general conformity level of the entity

CENIBRA is at an important point in relation to the process called “Forest Modernization Project”. This project consists in the internalization of labour. This means the cancellation of subcontracts where other companies perform silvicultural and forest harvesting activities.

Moreover, it also contemplates the mechanization of harvesting activities and an optimization of silvicultural activities. The main objectives of these changes are to improve working and ergonomics conditions and productivity, as there will be an increase in the efficiency and quality of activities, as well as improvements in the operational conditions for the activities with inappropriate risk to worker’s safety: manual harvesting (this activity will be virtually extinct with mechanization).

Within the context of safety, CENIBRA has been investing in machinery and equipment to minimize risk conditions and is searching for technologies as to make it possible to operate in areas with higher slopes and greater risks.

At the same time with this modernization project there is a Public Civil Action in progress at the Supreme Federal Court, presented by the Public Ministry of Labour on basis of complaint and understanding from the worker’s union that CENIBRA labour outsourcing is unlawful. This is because the union thinks that the activities should be carried out by CENIBRA and not by subcontractors. This process is in analysis and review by the Supreme Federal Court, as there is no clear legislation on this matter in Brazil.

According to a matrix of advantages and disadvantages of the project, elaborated by the Environmental and Quality Department in it’s aspects related to harvesting mechanization, the advantages in terms of safety conditions and productivity are striking when compared to the manual system (chainsaw model).
During the implementation phase of the “Forest Modernization Project”, which includes harvesting mechanization, silvicultural activities optimization and internalization of labour, workers hired by subcontractors will be turned off, although an expressive part of it will be rehired by CENIBRA itself.

Bureau Veritas Certification will perform a follow-up audit in June 2013 as to monitor the actions taken by the company in order to mitigate the possible social impact generated in the regions where these changes occurs.

On this 3rd Surveillance audit it was noticed that, although most of the internalization process has not been implemented yet as it is scheduled to occurs mostly throughout the year 2013, one realizes the great commitment of CENIBRA to rehire workers from former subcontractors and/or support workers to find a new job; there are various actions aiming the mitigation of the social impacts, already underway, such as the partnership with Centaurus Brazil Mining for training manpower as to work in its new site on Guanhães region, partnerships with SENAI and SENAR as to develop training programs, support the creation of industrial districts in some specific counties, among others.

### 33.4 - Eventual changes in the scope of certification

There was no change in the scope of the certificate.

### 34 - Proposals regarding the certification decision

#### 34.1 - Description of new recommendations

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>M1</td>
<td>It is recommended that procedures for operation activities that could impact processes to be verified during integrated auditing on subcontractors.</td>
</tr>
<tr>
<td>N1</td>
<td>It is recommended that communication to stakeholders regarding modernization project to be carried out in a clear fashion.</td>
</tr>
<tr>
<td>O1</td>
<td>It is recommended to review and implement the periodical monitoring of road conditions in critical areas.</td>
</tr>
<tr>
<td>P1</td>
<td>It is recommended to review and adequate procedures for administrative waste disposal as to suit each region particularities.</td>
</tr>
<tr>
<td>Q1</td>
<td>It is recommended to provide an assessment of the viability of forestry operations in areas with steep slopes and associated risks.</td>
</tr>
<tr>
<td>R1</td>
<td>It is recommended to critically examine the possibility of including in the Technical Report No. 157, a reference to the appearance of occasional pest &quot;Vespa of Twigs&quot; in the Nursery (steeper). and occasionally in plantations, more specifically, Eucalyptus globulus.</td>
</tr>
</tbody>
</table>

It is recommended to re-evaluate and identify the amount of material stored in the Waste Deposit - Nursery, since it is perceived faulty classification and loads stored.
- Fixing the sign for "ant - Corrugated Plastic", located in the bay of empty pesticide;
- Adequacy / place of their signposts of existing materials in the bays of waste, as follows: Board indicative "Scout Corrugated Plastic" located in the bay of "empty packaging of fertilizers (Big bags), and raffia packaging";
- Lots of empty fertilizer (Big bags and raffia bags), located in two adjacent bays, which completely filled the available space, and had surplus outside the defined area of their stalls.

It is recommended to enhance communication campaign when identifying wildlife in the field.
Evaluate areas of talwegs Cenibra that could be classified as potential Permanent Preservation Areas.
Comment: talwegs identified in some hilly areas have characteristics that could have been characterized as eyes water in the past. As there is no record or evidence of local upwelling of water, it is necessary to assess in more detail the history of these areas and local characteristics.

It is recommended to carry out a survey of socio economic demands in order to evaluate the waste collection by the community and potential socio-environmental impacts and health and safety.
Comment: Checking in Project Stream das Pedras the presence of people in the community, removing wood waste in post-harvest areas.

### 34.2 - New Minor Corrective Action Requests

<table>
<thead>
<tr>
<th>Nº</th>
<th>Minor corrective action requested</th>
<th>Proposed date of implementation</th>
<th>Requirement number</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>To ensure that all specific conditions of the area are associated to inherent risks.</td>
<td>Until next audit</td>
<td>4.2.2</td>
</tr>
<tr>
<td>24</td>
<td>To ensure that the causes of the accident are known and consequently the corrective and preventive actions are effective, thus avoiding the recurrence of these accidents.</td>
<td>Until next audit</td>
<td>4.2.8</td>
</tr>
<tr>
<td>25</td>
<td>To ensure that equipments are appropriately maintained regarding safety aspects.</td>
<td>Until next audit</td>
<td>4.2.5</td>
</tr>
<tr>
<td>26</td>
<td>To perform activities according to prescriptions of the APR – Análise Prevencionista de Riscos (Preventive Risk Analysis)</td>
<td>Until next audit</td>
<td>6.2.5</td>
</tr>
<tr>
<td>27</td>
<td>To environmental emergency kits for tractors and field machinery, contemplating this aspect of environmental activities with operating machinery and engines.</td>
<td>Until next audit</td>
<td>6.5.1</td>
</tr>
<tr>
<td>28</td>
<td>To ensure the impacts identified during the planning phase are consistent with the impacts occurring on harvesting and silviculture activities.</td>
<td>Until next audit</td>
<td>10.61</td>
</tr>
</tbody>
</table>
Comments on the minor CAR:

**CAR 23:** The Preventive Risk Analysis does not address specific situations. Analysis found that Preventive Risk - APR applied before the beginning of activities is executed macro, ie without considering danger specific and / or local characteristics. Although it made risk analysis, this does not critically analyzes specific conditions, such as slopes, weather, etc.

**CAR 24:** Evidenced that the cause analysis of incidents in integrated audits EPS (subcontractors) are misguided and do not represent the fundamental cause of the problem, with corrective actions (not preventative) without proper coverage.

**CAR 25:** Evidenced during the inspection on the ground, Macedonia Project, Field T 26 437 P07, Activity: Loading by crane, the occurrence of deviations with respect to the operational status of equipment, as examples of evidence: 1) CAT Crane Forest, GF Identification 03  
- On the right side headlight burnt
2) Transfer Vehicle, Fleet Identification BBM 2928  
- Reverse Light not working;  
- Flashes alert not working

**CAR 26:** Evidenced storing gallon of gas and a gallon of oil for the fueling of the chainsaws in the middle of dry residues from the day of forestry activities undertaken in Macedonia Project, Field, 28, of Harvest Activity with Chainsaw on Cable Slider, in violation of the established in document APR - Preventive Risk Analysis - Safety, Preparation Date: 15/03/2013, Task to be performed: Supply of Chainsaw, which specifies "Keeping gallons in a shaded and protected from falling trees.

**CAR 27:** No evidenced of impact assessment of leaks machines enforcement activity ash, performed at Project Stream das Pedras, either the machines or work fronts have equipment for possible leaks in the containment field. This is a minor CAR for being a punctual event and for being a necessary protective measure, but were not detected leaks in the field.

**CAR 28:** Inconsistencies in methods of assessing soil conditions and increase appropriate management actions to maintain the carrying capacity of the soil in sloping areas, especially in areas of clear cutting. That is, the study of soil interelacionar front areas of high slope where there was clear cut. It was shown that the method used in the harvesting operation in the area where fatal accident occurred demonstrated soil exposure of the field, conditioning increased risks of erosion and increased runoff, thereby reducing their support.
34.3 - New Major Corrective Action Requests

<table>
<thead>
<tr>
<th>N°</th>
<th>Major corrective action requested</th>
<th>Proposed date of implementation</th>
<th>Requirement number</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>To ensure that wood piles are not deposited in the Permanent Preservation Areas, causing damage to native vegetation.</td>
<td>90 days</td>
<td>6.5.4</td>
</tr>
</tbody>
</table>

Comments on major CAR:
CAR 29: Evidenced Project Stream Stones, plot 31, deposition in APP wood piles, where small logs rolled into the ravine, resulting in damage to the native vegetation. It is a Major CAR being a repeat event, which already had been identified deviation during the same first maintenance of the certification processes.

34.4 - Conclusion of the audit team

The third surveillance audit was carried out as planned and it is concluded that, even though minor and major non conformities were raised, the organization does not present any risk on the commitment with FSC principles and criteria. It is possible concluding that the improvements in the new model employed forestry activities there will be a considerable mitigation of security risks. It follows therefore that Cenibra may continue the FSC-certified forest management of all regions and FMUs presented in its scope, ensuring that the necessary actions are taken to correct the deviations found. With the goal of a more effective, along with the audit of the FUP Major CAR will be conducted a special audit to assess the social aspects of this process of internalization of forestry activities (by 2014 there will be no outsourcing).

Other evidence:

Detected no evidence in the audit announced in 12th and 13th, March - specialist in occupational safety:

A) NUMBER OF EMPLOYEES
As of 28/02/2013 statistical data, contained the following numbers of employees and contractors CENIBRA:
- Effective Cenibra: 1553 (industrial and forestry)
- Total number of outsourced employees: 4814 (Forestry)
Being the 3 contractors with the largest number of employees:
- KTM: 716
- Emflora: 612
- Forestry Standard: 591
- Express Nepomuceno: 274 (inside function of fatal accident)

B) HELD BY MANAGEMENT CENIBRA WITH SERVICE PROVIDERS
B.1)
Contract
In agreement defines the requirements for occupational health and safety to be met by the
service.
Evidenced contracts of companies:
- Express Nepomuceno S / A (timber transport), number 4600002014, date of validity: 15/10/2009 to 14/10/2015, Annex III - Item 13:16 - To abide by the guidelines of the Quality System, the member of this document, the Standards for Safety and Medicine, in accordance with the provisions of Law 6514 of 12/22/77, as well as internal procedures CENIBRA in its latest revision.
- Emflora Forest Enterprises Ltd, number 4600002136, date of validity: 01/06/2010 to 31/05/2015, Annex IV - Terms of service delivery, item 13:16.
- KTM Administration Engenharia Ltda (forestry activity), number 4600002152, date of validity: 01/08/2010 to 31/07/2015, Annex IV - Terms of service delivery, item 13:16 - Comply with and enforce the Guidelines Quality System, an integral part of this document, the Standards for Safety and Medicine, in accordance with the provisions of Law 6514 of 12/22/77, as well as internal procedures CENIBRA in its latest revision.
- Julio Simões Transportes e Serviços Ltda, number 4600001509, date of validity: 01/01/2007 to 31/12/2012, Annex V - Terms of service delivery, item 12:16 (same descriptive item 13:16).

B.2)
Audit procedure integrated service companies (EPS) - Corporate - PO556-V.6, date 22/06/2012.
Evidenced the last internal audit integrated annual EPS following:
Express Nepomuceno S / A - Date 11/06/2012 in Regional New Age, result: 4 nonconformities occupational health, safety 2 nonconformities and nonconformities 4 of Labour and Social Security. Are managed by the contract administrator to a single occurrence - 01759 management system Doc Action.
Evidenced the occurrence 01759, date created in the system: 14/12/2013, inconsistent with cause analysis, it is the very description of non-compliance and corrective action mentions a plan of action that is maturing in 12/2013 and the system Doc Action 04/2013. The action plan presented as few corrective actions and not corrective.
There is no evidence that the internal audit was audited internal procedures applicable to the scope of activity, such as: P0822 - Security in the loading operations and timber transport, version 01, date 09/08/2011, P0395 - Security for conducting analysis prevencionista Risk, version 13, date 01.30.2013.
- Julio Simões - date 06/07/2012 in Regional Guanhães, result: 0 nonconformity of occupational health, safety and 2 0 nonconformity labor and welfare. Not evidenced the audit of internal procedures.
Evidenced the occurrence 01755, creation date 14/12/2012, with inconsistent cause analysis, it is the very description of the nonconformity. There were no corrective actions, only correction.
-Emflora - date 01/06/2012 in Regional Guanhães, forestry process, result: 0 nonconformity of occupational health, safety and 1 0 nonconformity labor and welfare. There is no evidence the audit of internal operational procedures applicable (ex: PO360 - Procedure for herbicide application; PO0371 - Implementation and forestry reform),
Evidenced the occurrence 01752, creation date 14/12/2012, with inconsistent cause analysis, it is the very description of the nonconformity. There were no corrective actions, only correction.

COMMENTS:
1. Do not evidenced in the 2012 annual internal audit that internal procedures applicable to the activities of service providers Nepomuceno Express S / A, Simoes and Emflora were audited.
Emflora: PO360 - Procedure for herbicide application; PO0371 - Implementation and forestry reform).

2. There is no evidence analyzes causes and corrective actions consistent occurrences of numbers 01752, 01755 and 01759, registered in the annual internal audit of 2012. Objective evidence: analysis of causes describe the very non-compliance and corrective actions not evident, as just correction.

C) Supplier Evaluation
It held supplier evaluation through the procedure pro P0506 - Qualification, selection, evaluation and re-evaluation of suppliers, version 21, date 30/10/2012.
The Global Note of the following EPS for the years 2010 and 2011 were:
- Nepomuceno: 2010-67.52; 2011 to 82.54
- Emflora: 2010-93.04; 2011 to 96.44
- KTM: 2010-90.93, -91.73 2011
- Julio Simões: 2010-89.20; 2011 to 91.56
  Note: Line cutting 80,00 was established in 2011.

D) Verified Monthly Report - Indicators Accidents at Work - Forestry period July 2012 to fevereiro/2013:

Own employees:
As the employees themselves (609 - forest) occurred in October/2012 1 SPT 1 and CPT in February / 2013 with 23 days off.
Checked the CAT's:
- CAT 2012.485.871-6/01 number, opening date 23/10/2012, 22/10/2012 date of the accident, without leave name, Occupation: machine operator, causative agent: live animal, description: to replace the current machine, stepped on a wasp house, being attacked by them, CID: W57.6.
- CAT 2013.068.628-0/01 number, opening date: 02.06.2013, date of accident 05/02/2013, is still away, the name of the occupation: machinist, causative agent: floor - area used to sustain people, description: when registering machine maintenance was attacked by wasps coming to drop the machine, CID: S52.5.

Analysis and visit the activity of chemical weeding manual in Project Canoa stand 11.
The place of occurrence of the last fatal accident has already been mischaracterized, there was regeneration of 2 meters. Emflora is currently with 612 employees with silviculture activity, and the harvesting activity is no longer being held since October/2012. Is expected in the second half, the start of the demobilization process due to the modernization project.
1. Checked the CAT's:
- CAT 2012.277.779-4/01 number, opening date 03/07/2012, 02/07/2012 date of the accident, without leave name, occupation: forestry worker, causative agent: wood description: when wood was piled surprised by a Torete that slid and came to meet your right knee; CID S80.0. Evidenced cause analysis, correction and corrective action
- CAT 2012.323.785-8/01 number, opening date 01/08/2012, date of accident 31/07/2012, with leave of seven days, the name of occupation: chainsaw
operator, causative agent: steel cable, Description: when mounting the sliding handle the employee moved to a location away to take water, walking sideways near the steel cable that was loose on the ground (upper plot) at the instant that the chainsaw operator (its teammate) performed the felling of a tree (lower plot) for the formation of the stump support the steel cable. The tree fell on top of the steel wire and caused a reaction (wave) hitting the employee, causing abdominal trauma; CID S36.9
- CAT 2012.323.785-8/02 number, opening date 03/08/2012, 31/07/2012 date of accident, fatal, occupation name: chainsaw operator, causative agent: steel cable, description: impact suffered, ICD A41.9.
Evidenced cause analysis, correction and corrective action
- CAT 2012.417.133-8/01 number, opening date 28/09/2012, 27/09/2012 date of the accident, without loss of time, name of occupation: forestry worker, causative agent: ground Description: The employee performed the activity manual fertilization (NPK), to move into the field, stepped over a small lump which came to move and cause a sprained right ankle employee. action CID S93.4
Evidenced cause analysis, correction and corrective action
- CAT number 2013.037.055-0/1, OPENING DATE 28/01/2013, 25/01/2013 date of the accident, without leave, the name of occupation: forestry worker, causative agent: vegetable Description: The employee moved in inside the stand to make the score marks in his career. A branch caught in her leggings, unbalancing and lean even notice, came to suffer a sprained left knee, S83.6 ICD.
Evidenced cause analysis, correction and corrective action

2. Verified the following documentation:
- PPRA: period 08/12/2012 to 07/12/2013
- LTCAT (Award technician working conditions) - Date 27/06/2012
- PCMSO: period 01/01/2013 to 31/12/2013
- ASO's functions: 3 helpers rural 1 additional operating charge, charge 1 and 2 operators
- Respiratory Protection Program, period 25/07/2012 to 24/07/2013
- Hearing Conservation Program, period 01/01/2013 to 01/01/2014
- Last Registration Statement, Inspection date 06/09/2008
- Annual Calendar of regular meetings of CIPATR - Management 2012/2014
- Minutes of the Meeting of CIPATR 2012-2014, date 13/02/2013.

35 - Certification decision

After analysis of the conclusions of the audit team and after review of the Corrective Action Request, the Wood and Forestry department of Bureau Veritas Certification request the forest company CENIBRA LTDA to resolve the major Corrective Action Requests under a 3 month delay after this surveillance audit. A complemenary audit will be necessary to evaluate the conformity to the FSC standards.
Issued the 27 June 2013

FM certification technical manager,  Lead Auditor,

Brian Callaghan  Juliana Bueno Colpas
F. Complementary Audit

36 - Base of evaluation

36.1 - Composition of the audit team

Lead auditor: Mrs. Juliana Colpas, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Biologist and Chemistry, Auditor in ISO 9001, 14001, OHSAS 18001, SA 8000 and CERFLOR, independent consultant.

36.2 - Context of this audit

This audit refers to the follow-up actions taken by the company to close the major CAR n°29 raised during the second surveillance audit. Moreover, the objective of this audit is to monitor the actions of the internalization of forestry activities (until 2014 there will be more outsourcing to forestry activities).

36.3 - Forest management referential used for the audit

For the 3rd surveillance audit, we referred to the checklist SF03 FSC FM V1.0 extracted from the forest management referential RF03 FSC FM BV para Florestas Plantadas Brasil_v1.0 (Plantations), from November 2009. This last version has been updated and is available on the website, www.bureauveritas.com/certification or upon request to Bureau Veritas Certification.

37 - Information collecting modalities

37.1 - Description of the audit program

<table>
<thead>
<tr>
<th>AUDIT SCHEDULE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>JBC</td>
</tr>
<tr>
<td></td>
</tr>
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<td></td>
</tr>
</tbody>
</table>
26 June 2013

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>am</td>
<td>Belo Oriente</td>
<td>The action plan about CAR29.</td>
</tr>
<tr>
<td>pm</td>
<td>Belo Oriente</td>
<td>Interviews with stakeholders.</td>
</tr>
</tbody>
</table>

27 June 2013

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>am</td>
<td>Belo Oriente</td>
<td>FM – Coqueria – CAR29.</td>
</tr>
<tr>
<td>pm</td>
<td>Belo Oriente</td>
<td>Interviews with stakeholders. Closing meeting.</td>
</tr>
</tbody>
</table>

### 37.2 - Documents review

- Action Plan developed for CAR 29 previously raised
- Records of Training
- Dossiê mitigation of social impacts of the project of modernization of forestry activities;
- PTEAS (Technical Planning Social Economic Environmental Occupational Health and Safety);
- Maps and microplanning Farm Central.

### 37.3 - Interview(s) of involved people met

- Employee(s):
  - Mr. Sandro Morais – Environmental and Quality Manager
  - Mr. Paulo Dantas – Environmental Coordinator
  - Mr. Deuseles Firme – Forestry Operations Manager
  - Mr. Fernado Borel – Human Resources Manager
  - Mr. André Sanches – Forest engineer
  - Mr. Claret – Analist Environmental
  - Mr. Jacinto Moreira – Forest engineer

- Sub contractors:
  - Mr. Antunes – Owner JCA
  - Mr. Maia – Owner Padrão
  - Mrs. Josiane Freita Alves – Social worker municipal government
37.4 - On-site visit(s)
FMU Coqueria – Nova Era Region
Central Office – Belo Oriente

37.5 - Stakeholders identification and consultation
The focus of this audit was to talk to those involved in the modernization project, or speak with a social worker, outsourced business owners who do not provide service to more CENIBRA and their workers.

37.6 - Identification, traceability and monitoring of products
Not Applicable for this follow-up audit.

38 - Audit team observations

As for CAR 29, the action plan presented is fairly consistent. This CAR was closed and should only monitor the effectiveness of actions at the next audit because there we have more examples of forestry activities that were performed after the improvements in the harvesting process.

Regarding affected stakeholders with insourcing forestry activities, it is clear that the actions of CENIBRA have been appropriate. We quote below the main actions:
- Re-contracting of employees working in outsourced;
- Partnerships with educational and government entities to conduct training courses;
- It is expected that with this internalization and modernization of forestry activities is significantly reduce safety risks at work.

39 - Presentation of the answer to the Corrective Action Requested.
39.1 - Third Surveillance audit major CAR

<table>
<thead>
<tr>
<th>CAR #</th>
<th>CAR description</th>
<th>P&amp;C indicator number</th>
<th>Action taken by the entity to close the CAR</th>
<th>Closed/ Open</th>
<th>Date of closure</th>
</tr>
</thead>
</table>
| 29    | To ensure that wood piles are not deposited in the Permanent Preservation Areas, causing damage to native vegetation | 6.5.4                | **Immediated disposal:**
Review of wood volume in edge preservation area; Removal of all wood edge preservation area;

**Corrective Action:**
Review of PTEAS: Document which provides for all environmental conditions. This will be assessed where the wood may be temporarily stored on the farm. The criteria take into account the slope of the road and away from conservation areas. Being forbidden to store on the roadside which borders these conservation area.                                                                                                                                                                                                                                                                 | Closed       | 25th, July 2012 |

39.2 - Positive points
The company has performed very detailed study and has taken precise actions to close all CAR raised. The activities performed were extended to other areas of the company, in order to avoid any recurrence.

39.3 - Negative points
No comments needed.

40 - Scope retained for the certification
No change in the certification scope was verified.

40.1 - Geographical limitation at the level of the entity
No change since the previous surveillance audit.

40.2 - Limitation at the level of the forest products
No change since the previous surveillance audit.
41 - Proposals regarding the certification decision

41.1 - Explication on all rating, weighting systems or other systems used decisions taking

The audit team did not use any rating or weighting system to conduct the initial audit. Actually, the whole referential’s requirements are considered equivalent and each criterion must be satisfied by the applicant entity. The non-conformity against each indicator is evaluated. The indices defined in the checklist, must be considered as guidance to the auditors.

41.2 - Clear description of all new recommendations and conditions associated to the certification decision

No new recommendations raised during this complementary audit.

41.3 - New Minor Corrective Action Requests

No new minor CAR raised during this complementary audit.

41.4 - New Major Corrective Action Requests

No new major CAR raised during this complementary audit.

41.5 - Proposal of conclusion on whether the candidate entity achieved or not the required level of conformance

Was considered satisfactory action proposal for the closure of CAR29, leaving only the monitoring of the efficacy assessment at the next audit. Already the effects of the modernization project itself suitable here, shall continue monitoring at the next audit.

42 - Certification decision

After analysis of the conclusions of the audit team and after review of the Corrective Action Request, the Wood and Forestry department of Bureau Veritas Certification decides to maintain the FSC certificate of the company. However other minor CARs should continue their implementations.

Issued the July 03th 2013, reviewed the 19 July 2013, finalised 23 July 2013

FSC FM Certification Manager, Lead Auditor,
Brian Callaghan

G. Surveillance audit n° 4

43 - Base of evaluation

43.1 - Date of the surveillance evaluation

07 to 11/04/2014

43.2 - Composition of the audit team

Lead auditor: - Pedro José da Silveira Junior, forest engineer, MSc. in Sanitation, Environment and Water Resources, FSC FM qualified auditor on behalf of Bureau Veritas.

Auditors: - Maria Claudia Trabulsi, forest engineer, FSC FM qualified auditor, employee.

- Fábio Alves, forest engineer, FSC FM qualified auditor on behalf of Bureau Veritas.

43.3 - Forest management referential used for the surveillance audit

There were no changes on the referential used since previous audit (RF03 FSC FM generic referential - version 3.2 and RF03 FSC FM BV to Planted Forests Brazil_v1.0). Nevertheless, it was also used the referential SF03 FSC FM SA req, in order to assess specific topics for the surveillance audit. The use of the second check-list assured that the most important topics of the surveillance audit was taken into account.

44 - Information collecting modalities

44.1 - Description of the audit program
### PLAN DE AUDITORIA CENIBRA 2014 - 45 - FSC MANEJO FLORESTAL

<table>
<thead>
<tr>
<th>DIA/AUDITOR</th>
<th>PEDRO SILVEIRA (Belo Oriente)</th>
<th>FÁBIO ALVES (Nova Era)</th>
<th>MARA CLAUDIA (Guanhães)</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>segunda manhã</td>
<td>Deisolamento dos auditores para Ipatinga, MG. Reunião de Abertura às 09:30hrs na fábrica e Alineamento da Programação.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>segunda tarde</td>
<td>- Não Conformidades e recomendações anteriores / derroga</td>
<td>- Princípio 1 (legislação e encargos legais)</td>
<td>- Princípio 5 (impacto ambiental - fauna e flora)</td>
</tr>
<tr>
<td>09/04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>terça manhã</td>
<td>- Visita Florestal</td>
<td>- Deslocamento Nova Era Atividades Florestais (Silvicultura) (Princípio 10)</td>
<td>- Deslocamento Guanhães Atividades Florestais (Silvicultura) (Princípio 10)</td>
</tr>
<tr>
<td>terça tarde</td>
<td>- Atividade Florestal - coleta, transporte e estradas (Princípio 6 e 10)</td>
<td>- Atividade Florestal - Silvicultura: preparo de solo, adubação, plantio, combate a formigas, roçada, capina química, etc.</td>
<td>- Colheita: Propria, terceiros, mecanizada, manual, transporte e estradas.</td>
</tr>
<tr>
<td>09/04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>quarta manhã</td>
<td>- Atividade Florestal: Recuperação de áreas degradadas, APP, RL (Princípio 6 e 10)</td>
<td>- Atividade Florestal:silvicultura: preparo de solo, adubação, plantio, combate a formigas, roçada, capina química, etc.</td>
<td>- Atividade Florestal - coleta, transporte e estradas (Princípio 6 e 10)</td>
</tr>
<tr>
<td>quarta tarde</td>
<td>- Princípio 9 - FAUC</td>
<td>- Atividade florestal: aplicação de herbicida, armazenamento de produtos químicos, resíduos (Princípio 6 e 10)</td>
<td>- Atividade florestal: aplicação de herbicida, armazenamento de produtos químicos, resíduos (Princípio 6 e 10)</td>
</tr>
<tr>
<td>10/04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>quinta manhã</td>
<td>Projeto social (critério 4.1)</td>
<td>- Deslocamento Belo Oriente</td>
<td>- Visita ao Sindicato dos Trabalhadores (critério 4.3)</td>
</tr>
<tr>
<td>quinta tarde</td>
<td>- Princípio 2 (Posse e uso da terra)</td>
<td>- Deslocamento Belo Oriente</td>
<td>- Deslocamento Belo Oriente</td>
</tr>
<tr>
<td>11/04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sexta manhã</td>
<td>Análise de pendências e compilação de Relatórios.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>sexta tarde</td>
<td>11:30hs: Reunião de Encerramento</td>
<td>15:00 hs: Deslocamento dos auditores para as cidades de origem.</td>
<td></td>
</tr>
</tbody>
</table>

### 44.2 - Total man days for the audit

In total, the audit team took 15 man days to perform the audit. However, due to the travelling to get to the FMUs and within sites, it was acknowledged that about 13 man days were used on the surveillance evaluation, including time spent on auditing documents and records, interviewing stakeholders, and carrying out field work.

### 44.3 - On-site visit(s)

The choice of sites to be visited was based on the existence of any silvicultural activity and environmental importance (HCVF; recovery of degraded area...)

Sites visited within each selected FMU:

- FMU Rio Doce:
  - Hortência Lagoon Project (harvesting, loading and transportation), Bom Jesus do Galho, MG.
  - Macedônia farm (HCVF), Ipaba, MG.
  - The multipurpose park project (social project), Cachoeira Escura, MG.
  - Santa Marta farm (agricultural partnership project), Ipaba, MG.
FMU Guanhães:
- Jactinga II Project (planting and irrigation), Virginópolis, MG.
- Santa Rita I Project (ant extermination), Virginópolis, MG.
- Divinolândia II Project (harvester, loading and transportation), Virginópolis, MG.
- Córrego da Pedras Project (application of herbicides), Divinolândia, MG.

FMU Nova Era:
- Bom Retiro Project (mechanized pits), Nova Era, MG.
- Santa Juliana Project (manual fertilization), Antonio Dias, MG.
- Cocais das Estrelas Project (harvester), Antonio Dias, MG.
- Taquaral Project (post harvest impacts), Antonio Dias, MG.
- Garapa Project (application of herbicides), Belo Oriente, MG.

44.4 - Documents review

- Procedure-P0373 V.19: Production minicutting
- Administrative Report 01/2014: Business Plan - nursery / Depla-D
- Technical Recommendation (Production of seedlings - 2013 V.14)
- Certificate of enrollment on the National Register of seeds and seedlings (RENASEN) MG-05401/2011
- Permit license for facilities and operations for 2014 issued by the Municipality of Belo Oriente.
- Report of the analysis of groundwater of the forestry nursery 12/03/2013
- Contract of service with the company Fototerra for lazer aerophotogrammetric survey on land to lease nivel curves of 01/27/2014
- Procedure PO623, V.12: Forest Harvesting
- Survey of environmental aspects and impacts of harvest, LAIA DEOPE-R
- Forest Risk Analysis (APR) DEOP-R 0021: Harvest in the Hortência Lagoon project, Bom Jesus do Galho, MG.
- Planning technical, economic, environmental, social, occupational health and safety (PTEAS) Hortência Lagoon project, regional Rio Doce.
- Procedure P0535, V17: construction, opening, reopening and maintenance of roads.
- Preliminary analysis of risk conducted by timber transport company BBM, Hortência Lagoon project, regional Rio Doce.
- List of daily verification of forward FG 09 (harvest) of 09.04.2014
- Wildlife monitoring report 2013 (Macedônia, Rio Branco, São Lourenço e Broachá projects)
- Certificate LO 020 - single environmental permit issued by SUPRAM valid for 54 municipalities
44.5 - Stakeholders identification and consultation

The following external stakeholders were interviewed during this surveillance:

Worker’s Trade Union of Guanhães, MG:
– Mr. José Maria Soares - president.

Social Project:
The multipurpose park project (social project), Cachoeira Escura, MG.
- Humberto Lopes de Assis - mayor

Agricultural Partnership Program, Ipaba, MG:
- Maria Aparecida Santos - agricultural partner
- Jose Dias - agricultural partner
- Maria Aparecida de Souza - agricultural partner

* We don’t received comments prior to the surveillance audit from the external stakeholders.

44.6 - Interview(s) of involved people met
- Manager(s):
  - Sandro Morais Santos – environmental and quality manager
  - Paulo Henrique Dantas – environmental coordinator

- Employee(s):
  - Fernando Palha Leite - coordinator of the forestry nursery
  - João Batista Senra – forestry expert
  - Ginaldo Vieira Filho – forestry auxiliary
  - Edivaldis Amaral - coordinator of maintenance
  - Jacinto Lana – master expert
  - Lauro Leite - forest supervisor
  - Mauro Birro - coordinator of forestry operations
  - Sidney Oliveira - road maintenance supervisor
  - Charlisson Freitas - forestry operator
  - Edson Paiva - environmental specialist
  - André Sanches – forest engineer
  - Rudson Vieira – communication analyst
  - Edson Valgas - full specialist
  - André Sanches - forestry engineer
  - Jacinto Moreira Lana - master specialist
  - Antonio Claret de Oliveira Neves – expert
  - Genesio de Andrade Rodrigues - senior technical staff
  - Alysson Fonseca Ribeiro – expert
  - Jovane Rocha Pereira - safety engineer
  - Victor Hugo Barbosa Siman – work nurse
  - Wander Medeiros de Andrade - technician institutional relations
  - Monica Freitas - Analyst institutional relations
  - Marcia da Silva Rocha - Analyst institutional relations
  - Rudson Carlos Vieira - analyst communication
  - Sebastian Renato dos Santos - team leader
  - Daniel da Silva Santos - forestry worker
  - José Maria da Silva - forestry worker
  - John Antonio Gomes - forestry worker
  - Lucio Marcelino Lima - bus driver
  - Nelson Araujo de Oliveira - bus driver
  - Antonio Cassiano Nunes - machine operator
  - José Alexandre Rocha - monitor forest operations
  - Marcos Rodrigues Silva - supervisor harvest
  - Fabiane Souza Santos - Security Technical
  - Marcus Tulio Alvarez Benedict - technical security
  - Robison Pereira Dumond - operator loading
  - Francisco Faria - logistics coordinator
  - Leandro Rodrigues de Souza - warehouse
  - Axer Marcelo Alves de Rezende - Environmental Analyst
- Rodrigo Oliveira - sector legal advice
- Kerala Francisco de Moraes - RH Nova Era
- Iara F. Aparecida de Melo - RH Coordinator
- Marta Maria Miranda - Coordinator of Insurance and Occupational Health
- Priscila Felix Montesano Occupational Nurse
- Jales Guilherme Batista Filho - Occupational doctor
- Fernando P. Leite = Research Coordinator
- Jacinto Moreira Lana = Specialist
- Wuendel José Castro - forest supervisor
- José Arnaldo Silva - team leader
- José dos Santos de Oliveira - operator motopoda
- Peter Paul Beaver - operator motopoda
- Horlandes Mark Nicholas - operator motopoda
- Gilson Lourenço da Silva - operator motopoda
- Warlem Ali Figueiredo Silva - Security Technical
- Tiago Eduardo Cruz - Safety Engineer
- Benedito dos Reis Sa - team leader
- Diego de Oliveira Silva - Supervisor of forestry operation
- Welliton - Harvest Supervisor
- Tiago Lopes - Crop supervisor
- Geider Lima Pereira - Monitor

- Sub contractors:
  - Rosaria Dorf - security technical (BBM)
  - Eustaquio Romulus - forestry auxiliary (Morais)

Other evaluation techniques:
No other evaluation technique was performed besides visiting sites, offices, consulting stakeholders, verifying documentation, interviewing employees and sub contractors.

44.7 - FSC trademark use control
The company made use of the FSC trademark in business cards approved by BVC till August 2013, now, not more. It is evidenced too in the webpage of the company, where they mention to have a FSC certified forests. No more use of FSC trademark was evidenced.

44.8 - Controversial elements
None element observed during the audit can be considered controversial.

44.9 - Changes since last audit
The company ended the contracts with most of the forest services companies (subcontractors), contracting most employees of these. Forestry field activities are now carried out only with its own employees.

No other change in the company, including in the scope of the certificate.

44.10 - Surveillance audit closing meeting

The forest entity’s staff agreed with the Non Conformities and the recommendations raised by the audit team. The representative of the audited company signed the form of non-compliance (SF02) presented (attached).

45 - Audit team observations

45.1 - Actions taken in order to answer to the Corrective Action Requests from the previous audit

<table>
<thead>
<tr>
<th>CAR #</th>
<th>CAR description</th>
<th>P&amp;C indicator Number</th>
<th>Action taken by the entity to close the CAR</th>
<th>Closed/ Open</th>
<th>Date of Closure</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>To ensure that all specific conditions of the area are associated to inherent risks.</td>
<td>4.2.2</td>
<td>Preliminary analysis of Risks (APR) specifies created for loading and transportation of wood that is drawn up for each harvested project. Transferred the new systematically for all companies’ carriers of wood.</td>
<td>Closed</td>
<td>07/04/14</td>
</tr>
<tr>
<td>02</td>
<td>To ensure that the causes of the accident are known and consequently the corrective and preventive actions effective, thus avoid the recurrence of these accidents.</td>
<td>4.2.8</td>
<td>Performed plan of action (corrective and preventive) approved by the management GIS, containing actions to empower those responsible in the correct description of causes of occurrences observed in audits.</td>
<td>Closed</td>
<td>08/04/14</td>
</tr>
<tr>
<td>23</td>
<td>To ensure that the equipments are appropriately maintained regarding safety aspects.</td>
<td>4.2.5</td>
<td>Provided the repair of safety items cited. Trained people responsible for filling out checklist. Implanted routine inspection of safety items of machinery and equipment.</td>
<td>Closed</td>
<td>08/04/14</td>
</tr>
<tr>
<td>24</td>
<td>To perform activities according the prescriptions to the APR – Análise Prevencionista de Risco (Preventive Risk Análisys)</td>
<td>6.2.5</td>
<td>Performed training for chainsaw operators for proper storage of gallons of fuel on the work fronts. The company no longer uses chainsaws in front’s harvest.</td>
<td>Closed</td>
<td>08/04/14</td>
</tr>
<tr>
<td>CAR #</td>
<td>CAR description</td>
<td>P&amp;C indicator Number</td>
<td>Action taken by the entity to close the CAR</td>
<td>Closed/ Open</td>
<td>Date of Closure</td>
</tr>
<tr>
<td>-------</td>
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<td>------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>25</td>
<td>The environmental emergency kit for tractors and field machinery, contemplating these aspects of environmental activities with operating machinery engines.</td>
<td>6.5.1</td>
<td>The company conducted a study to assess the environmental impacts of maintenance activities in forestry equipment; Prepared an action plan to observed impacts available kit for containment of small leaks in the field.</td>
<td>Closed</td>
<td>08/04/14</td>
</tr>
<tr>
<td>26</td>
<td>To ensure the impacts identified during the planning phase are consistent with the impacts occurring in harvester and silviculture activities.</td>
<td>10.6.1</td>
<td>Updated the P0822, V3 Procedure: Safety during loading and transport of timber operations; created APR related to the risk of road accidents. Contracted aerial survey of land with LIDAR technology for marking level curves.</td>
<td>Closed</td>
<td>08/04/14</td>
</tr>
</tbody>
</table>

Comments:
We don’t observed any complaints or disputes raised by stakeholders with the certificate holder, or with the certification body, since the previous evaluation.

45.2 - Action taken in order to answer to previous recommendation

The company submitted corrective actions for all recommendations described in the previous audit, as described below:

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1</td>
<td>It is recommended that procedures for operation activities that could impact processes to be verified during integrated auditing on subcontractors.</td>
</tr>
<tr>
<td>N1</td>
<td>It is recommended that communication to stakeholders regarding modernization project to be carried out in a clear fashion.</td>
</tr>
<tr>
<td>O1</td>
<td>It is recommended to review and implement the periodical monitoring of road conditions in critical areas.</td>
</tr>
<tr>
<td>P1</td>
<td>It is recommended to review and adequate procedures for administrative waste disposal as to suit each region particularities.</td>
</tr>
<tr>
<td>Q1</td>
<td>It is recommended to provide an assessment of the viability of forestry operations in areas with steep slopes and associated risks.</td>
</tr>
</tbody>
</table>
R1 It is recommended to critically examine the possibility of including in the Technical Report No. 157, a reference to the appearance of occasional pest "Vespa of Twigs" in the Nursery (steeper). and occasionally in plantations, more specifically, Eucalyptus globulus. Was included in the Technical Report No. 157 this reference.

S1 It is recommended to adjust the Risk Map on implementing the Activity: Forwarder, prepared by CIPATR 306/99 - Management 2011/2013, with the document "Report Risk Analysis Prevencionsita Forest", date of preparation: 22/02/2013 , Activity Performed: Mechanized Harvest / Harvester / Forwarder, Project: Macedonia. Held adequacy; risks included in the APR are the same presented on the risk map.

T1 It is recommended to re-evaluate and identify the amount of material stored in the Waste Deposit - Nursery, since it is perceived faulty classification and loads stored. - Fixing the sign for "ant - Corrugated Plastic", located in the bay of empty pesticide; - Adequacy / place of their signposts of existing materials in the bays of waste, as follows: Board indicative "Scout Corrugated Plastic" located in the bay of "empty packaging of fertilizers (Big bags), and raffia packaging"; - Lots of empty fertilizer (Big bags and raffia bags), located in two adjacent bays, which completely filled the available space, and had surplus outside the defined area of their stalls. This place was adequated as recommended.

U1 It is recommended to enhance communication campaign when identifying wildlife in the field. Evaluate areas of talwegs Cenibra that could be classified as potential Permanent Preservation Areas. Comment: talwegs identified in some hilly areas have characteristics that could have been characterized as eyes water in the past. As there is no record or evidence of local upwelling of water, it is necessary to assess in more detail the history of these areas and local characteristics. Created a form to identify the wild life that was distributed to the monitors. A study was conducted to evaluate talveges in areas of permanent preservation areas.
V1  It is recommended to carry out a survey of socio economic demands in order to evaluate the waste collection by the community and potential socio-environmental impacts and health and safety. Comment: Checking in Project Stream das Pedras the presence of people in the community, removing wood waste in post-harvest areas. Conducted survey of the topic in the communities; included authorization from the company to collect waste for private use.

45.3 - Evaluation of the general conformity level of the entity

The overall level of conformity of the entity keeps positive; the Non Conformities identified do not compromise the social and environmental performance of the company which was considered very well. The willingness and speed in attempt to resolve the deviations found is one aspect of the entity evolution since last audit.

45.4 - Eventual changes in the scope of certification

None change in the scope of the certificate.

46 - Proposals regarding the certification decision

46.1 - Description of new recommendations

1- The company should accelerate the execution of the inspection request from the Fire Department (formally request it again) to issue the AVCB (license) of the forestry nursery that was requested in 2007 (1.1.3)
2- Recommended to be used the clothesline to better organize aprons and other Protections Equipments used in place of manual fertilization (4.2.2).
3- Keep the tools to first firefighters on all work fronts (10.7.1).
4- Recommended carry out the monitoring of the impacts of mechanical harvesting at Cocais region in order to gather data that may show the direct effects on watercourses (8.1.2).
5- Is appropriate to include in the APR (preliminary risk analysis) the risk of accidents in the displacement of workers in areas of high declivity (4.2.7).

46.2 - New Minor Non Conformities

<table>
<thead>
<tr>
<th>Nº</th>
<th>Minor Non Conformity</th>
<th>Proposed date of implementation</th>
<th>Requirement number</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Not evidenced in the project Hortência Lagoon and other projects visited in the region of Bom Jesus do Twig, MG, identification plates of the properties containing prohibition of hunting and fishing, among other items.</td>
<td>Next audit</td>
<td>6.2.4</td>
</tr>
</tbody>
</table>
**Comments on the minor NC:**

NC_01: The plates exist in the properties visited in other regions however in this particular region they were not evidenced.  
NC_02: The sample measurements exceeded, on average, 01 kg of the maximum weight established.

### 46.3 - New Major Non Conformities

No major non conformity was raised.

### Comments on major NC:

#### 46.4 - Conclusion of the audit team

The audit team evaluates that the company, although subject to corrections due the nonconformities that were identified, has a management system implemented consistently in the areas covered by the scope of the certificate.  
The audit team is favorable that the company keeps the FSC certification on its Forest Management.

#### 47 - Certification decision
Based upon the results of this audit the FSC Forest Management certificate of the Cenibra remains valid.

Issued April 13 2014, reviewed July 13, 2014

FM certification technical manager, Lead Auditor,

Brian Callaghan Pedro Silveira Jr.

Pedro José da Silveira Junior

H. Complementary Audit

48 - Base of evaluation

48.1 - Composition of the audit team

Lead auditor: -Lead auditor: Mrs. Juliana Colpas, FSC FM qualified auditor on behalf of Bureau Veritas Certification, Biologist and Chemistry, Auditor in ISO 9001, 14001, OHSAS 18001, SA 8000 and CERFLOR, independent consultant.

(cf. CV of the audit team members, appendix A).

48.2 - Context of this audit

This audit was only checking areas included in the scope. As the orientation of the BVC Brazil and USA HUB office, there was no need for public consultations and checking appointment made in the audit of surveillance in April 2014. The areas included in this audit extension of scope, areas neighboring farms (UFM) are already certified.
48.3 - Forest management referential used for the audit

The Bureau Veritas locally adapted standard for Brazilin plantations was used for this audit. Audit observations were recorded in a verification form (RF03).

49 - Information collecting modalities

49.1 - Description of the audit program

<table>
<thead>
<tr>
<th>AUDIT SCHEDULE</th>
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</thead>
<tbody>
<tr>
<td>Person</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td><strong>16th June, 2014</strong></td>
</tr>
<tr>
<td>Juliana Colpas</td>
</tr>
<tr>
<td>Juliana Colpas</td>
</tr>
<tr>
<td>Juliana Colpas</td>
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<tr>
<td>Juliana Colpas</td>
</tr>
<tr>
<td><strong>17th June, 2014</strong></td>
</tr>
<tr>
<td>Juliana Colpas</td>
</tr>
<tr>
<td>Juliana Colpas</td>
</tr>
</tbody>
</table>

49.2 - Documents review

- Permit license for facilities and operations for 2014 issued by the Municipality of Belo Oriente;
- Procedure PO623, V.12: Forest Harvesting;
- Certificate LO 020 - single environmental permit issued by SUPRAM valid for 54 municipalities;
- Manual accredited health network CENIBRA ;
- Management Plan updated with the new areas included in this audit scope extension, V.10.01.
49.3 - Interview(s) of involved people met

- Manager(s):
  - Paulo Henrique Dantas – environmental coordinator

- Employee(s):
  - André Sanches - Forestry engineer
  - Jacinto Moreira Lana – Forestry engineer
  - Antonio Claret de Oliveira Neves – Forestry engineer

49.4 - On-site visit(s)

This audit was sampled farm Três Barras in region the Guanhães (UFM). Was chosen for this activity to be occurring harvest. Importantly, all farms (UFMs) included in this audit extension part of the mosaic / adjacent areas already certified.

49.5 - Stakeholders identification and consultation

By the guidance office of the BVC HUB USA and Brazil, this audit there was no public consultation, because stakeholders are the same already identified for this current scope.

49.6 - Identification, traceability and monitoring of products

Through the micro planning, wood harvesting is performed. In the transport document indicates all traceability from carving, farm and harvest and transport equipment to the arrival at the factory. Along the invoice is attached. This document ensures traceability from the exact location of the tree harvested, transportation and farm of origin of the wood.

Before the entrances of the farm, during and after are monitored whether controls to eliminate or mitigate the impacts of forestry activities are being efficient. This includes monitoring the environmental, social aspects of communities, worker safety, productivity and traceability of the woods.

50 - Audit team observations

It was possible to verify that the same environmental, social and health and safety of workers are applicable in these new controls management units included in this audit extension. It is noticed that throughout this certification cycle, each audit the management system of the company has been maturing. In this sample there was no deviation from FSC standard or legislation was detected.
51 - Presentation of the answer to the Corrective Action Requested.

51.1 - Main audit minor Non Conformance
Not applicable, as this is an extension of the audit scope and audit surveillance was in April this year.

51.2 - Main audit major Non Conformance
Not applicable, as this is an extension of the audit scope and audit surveillance was in April this year.

51.3 - Positive points
Good criterion for environmental monitoring and environmental preservation areas.

51.4 - Negative points
Not identified in this audit.

52 - Scope retained for the certification
New total area certified after this audit Extension: 244,719.09 ha, adding this audit Extension over 5,954.09 ha, now totaling 250,674.03 ha, in which:
- Forest Management Areas: 247,611.40 own ha and 1934.47 ha leased;
- Productive areas: 129,240.24 ha
- Areas designated for conservation / preservation (non-commercial):
  - Conservation Purposes: 104,767.49 ha (26,219.33 ha of Permanent Preservation Area + 78,548.10 ha of Legal Reserves)
  - Protected Natural Areas: classified as "forests with high conservation value" Forest: 753.14 ha.

52.1 - Geographical limitation at the level of the entity
Forest population(s) description

Forest(s) description
Forest zone: Tropical
List of main commercial timber and non-timber species included in the intended scope of certificate (botanical name and common trade name): Eucalyptus spp. – Gum tree
Dominating forest stand composition: hardwood
Location of the forest:
- Private land: 18º29’25” S to 20º15’52” S and 42º07’50” W to 43º35’58” W
- Rental Agreements: 18º32’04 32” S to 19º16’51 28” S and 43º01’18 10” W to 42º21’20 57” W
This certification is a unique company, encompassing areas as the map below:

52.2 - Limitation at the level of the forest products
Products are eucalyptus wood for the manufacture of pulp.

53 - Proposals regarding the certification decision
53.1 - Explication on all rating, weighting systems or other systems used decisions taking

The audit team did not use any rating or weighting system to conduct the initial audit.
Actually, the whole referential’s requirements are considered equivalent and each criterion must be satisfied by the applicant entity. The non-conformity against each indicator is evaluated.
The indices defined in the checklist, must be considered as guidance to the auditors.

53.2 - Clear description of all new recommendations and conditions associated to the certification decision

There have been no new recommendation this short audit.

53.3 - New Minor Non Conformities

<table>
<thead>
<tr>
<th>№</th>
<th>Minor Non Conformities</th>
<th>Proposed date of implementation</th>
<th>Requirement number</th>
</tr>
</thead>
</table>

53.4 - New Major Non Conformities

<table>
<thead>
<tr>
<th>№</th>
<th>Major Non Conformities</th>
<th>Proposed date of implementation</th>
<th>Requirement number</th>
</tr>
</thead>
</table>

53.5 - Proposal of conclusion on whether the candidate entity achieved or not the required level of conformance

In this short extension audit scope, it was possible to determine that CENIBRA meets the applicable requirements of FSC FM and applicable law and is therefore suitable for the inclusion of areas as described in this report.

Issued the 23th July, 2014, reviewed September 16, 2014; finalized 13 November 2014

FSC FM Certification Manager, Lead Auditor,
Juliana Bueno Colpas

Brian Callaghan

Reviewed on September 18th 2014 by F. Terrière

Juliana Colpas
54 - Appendices

54.1 - Responses to stakeholders

<table>
<thead>
<tr>
<th>Date</th>
<th>Ref. remark</th>
<th>Remarks received</th>
<th>FSC criteria-indicator</th>
<th>Answer client</th>
<th>Answer Lead Auditor</th>
<th>Answer Bureau Veritas Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/03/2011</td>
<td>1</td>
<td>Lack of locker room to field activities and inadequate field bathroom.</td>
<td>4.2.6</td>
<td>The company was asked (by email on 14/04/11) to clarify the event and seek for a joint solution to establish a suitable place for clothing exchange in the field and personal hygiene of workers.</td>
<td>Bureau Veritas Certification received responses from the certified company and is currently evaluating the comments received. In the next audit report, information will be published.</td>
<td></td>
</tr>
<tr>
<td>31/03/2011</td>
<td>2</td>
<td>KTM’s Employee - Antonio Dias, became ill on 30/03/2011 at the Worker’s accommodation on Cocais das Estrelas. The police only arrived the next day. There is an ambulance in place, but no driver is available neither a person to call for emergency nor phone available to workers.</td>
<td>4.2.2</td>
<td>The company was asked (by email on 14/04/11) to clarify the event.</td>
<td>Bureau Veritas Certification received responses from the certified company and is currently evaluating the comments received. In the next audit report, information will be published.</td>
<td></td>
</tr>
<tr>
<td>31/03/2011</td>
<td>3</td>
<td>Application of residue (lime) caused burns to 8 employees of DJ subcontractor, on</td>
<td>4.2.1</td>
<td>The company was asked (by email on 14/04/11) to clarify the event.</td>
<td>Bureau Veritas Certification received responses from the certified company and is currently evaluating the comments received. In the next audit report, information will be published.</td>
<td></td>
</tr>
<tr>
<td>Date</td>
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</tr>
<tr>
<td>25/03/2011</td>
<td>25/03/2011</td>
<td>Project Jararaca / Santa Barbara. The president of the Trade Union has requested</td>
<td>25/03/2011 indicator</td>
<td></td>
<td></td>
<td>comments received. In the next audit report, information will be published.</td>
</tr>
<tr>
<td>31/03/2011</td>
<td>4</td>
<td>Meals in Santa Barbara FMU is served cold. The meals boxes leave early in the</td>
<td>4.2.6</td>
<td>The company was asked (by email on 14/04/11) to clarify the event. During</td>
<td>Bureau Veritas Certification received responses from the certified company and is</td>
<td>In the next audit report, information will be published.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>morning (2am) to be served at 11am in the field.</td>
<td></td>
<td>the transfer audit, field meals temperatures were verified for Rio Doce Region.</td>
<td>currently evaluating the comments received. In the next audit report, information will be published.</td>
<td></td>
</tr>
<tr>
<td>31/03/2011</td>
<td>5</td>
<td>IPABA Trade Union has developed a program together with Cenibra to foster rural</td>
<td>2.6.</td>
<td>No activity required.</td>
<td></td>
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<td></td>
<td></td>
<td>agriculture activities within smallholders in the community. The Trade Union</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>highlighted the good practices and the efforts of Cenibra in the program.</td>
<td></td>
<td></td>
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<tr>
<td>31/03/2011</td>
<td>6</td>
<td>The Coordinator mentioned that Cenibra has been a partner in regards to fire</td>
<td>No activity required.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>control, surveillance and monitoring of hunters and illegal activities in the</td>
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<tr>
<td>31/03/2011</td>
<td>7</td>
<td>The manager of the Park highlighted the partnership and the measures Cenibra has implemented to avoid forest fires in the region.</td>
<td></td>
<td></td>
<td>No activity required.</td>
<td></td>
</tr>
<tr>
<td>29/03/2011</td>
<td>8</td>
<td>The rural producer has no complaint about Cenibra. The Beekeeper performs his activities in Cenibra forest areas and is happy with the management in place.</td>
<td></td>
<td></td>
<td>No activity required.</td>
<td></td>
</tr>
<tr>
<td>29/03/2011</td>
<td>9</td>
<td>There were no conflicts or complaints about Cenibra that may jeopardize the certification, according to the Federal Institute.</td>
<td></td>
<td></td>
<td>No activity required.</td>
<td></td>
</tr>
<tr>
<td>04/05/2011</td>
<td>10</td>
<td>Overweight Handling bolts, eucalyptus, causing damage in workers ergonomic contractors.</td>
<td>4.2.1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>08/06/2011</td>
<td>11</td>
<td>Subcontractor exempt Cenibra 300 employees servicing the Cenibra. SINDEX states that the President was because of</td>
<td>4.1.3.</td>
<td></td>
<td></td>
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</table>

The audit team verified in the field that some ergonomic studies have started, and most of the areas are substituting the current procedure to other less harmful tools. A minor CAR was raised due to the fact that the ergonomic study was not fully implemented yet.

The company did not renew the contract with CONSITA and is under assessment to hire another subcontractor. The company states that is expected...
<table>
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<tbody>
<tr>
<td>08/07/2011</td>
<td>12</td>
<td>low prices of the contracts.</td>
<td></td>
<td></td>
<td>that these employees may be hired by the following company.</td>
<td></td>
</tr>
<tr>
<td>10/08/2011</td>
<td>13</td>
<td>Subcontractor Cenibra (EMFLORA) uses tractor in poor condition. There is disparity in working conditions between third parties and employees</td>
<td>7.3.2.</td>
<td></td>
<td>The equipment is legally acceptable and Cenibra also monitors the working conditions and safety requirements. Forest Certificate registry n° 1256/2010, due to 31/01/2012.</td>
<td></td>
</tr>
</tbody>
</table>

Soares - president of SINDEX, it was discussed: Cenibra status of certification and the demands regarding previous complaints. One of the complaints received is part of the scope of a National public consultation and is related to subcontracting activities, currently under assessment by the TST (Supreme Labour Court). It was also presented a meeting summary of the Labour Ministry from August 18th 2011, about a collective negotiation between Cenibra and SINDEX/FTIEMG regarding working conditions at Cenibra, as follows: commuting hours, vehicles conditions for worker’s transportation, provision of ambulances, copy of certificate of accidents, health and safety, working productivity and the commitment on implementing...
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<tr>
<td>24/08/2011</td>
<td>14</td>
<td>Through the interview with Mr. Osman Filho - technician it was found that: The direct relationship with the IEF Cenibra is through requests for permission to forest harvesting - DCC statement Harvest and Sales (port 133/2003) The technician has no evidences from any irregularities performed by Cenibra related to harvesting and sales of timber. The technician believes that Cenibra has been performing a responsible management by the environmental point of view. Cenibra gives firefighting teams when there are real situations in their area of influence and is considered a partner in the maintenance of native forests in the region. IEF does not act on those activities above mentioned.</td>
<td></td>
<td></td>
<td>None required</td>
</tr>
<tr>
<td>Date</td>
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<tr>
<td>24/08/2011</td>
<td>15</td>
<td>Through the interview with Mr. José Maria Soares - president of SINDEX, it was discussed: Cenibra status of certification and the demands regarding previous complaints. One of the complaints received is part of the scope of a National public consultation and is related to subcontracting activities, currently under assessment by the TST (Supreme Labour Court). It was also presented a meeting summary of teh Labour Ministry from August 18th 2011, about a collective negotiation between Cenibra and SINDEX/FTIEMG regarding working conditions at Cenibra, as follows: commuting hours, vehicles conditions for worker’s transportation, provision of ambulances, copy of certificate of accidents, health and safety.</td>
<td></td>
<td></td>
<td>There will be a national and public consultation by the Supreme Labour Court regarding the issue on October 2011, that will define the future of Cenibra’s subcontracting scope.</td>
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<tr>
<td>Date</td>
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<tr>
<td>24/08/2012</td>
<td>16</td>
<td>safety, working productivity and the commitment on implementing those activities above mentioned</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>29/03/2012</td>
<td>17</td>
<td>Complaints were received regarding Health and Safety - Transport conditions, CATs not issued in due time, food, accidents, etc - all in one dossier.</td>
<td></td>
<td></td>
<td>3 Minor and 1 Major CAR were open in this regard. A specialist was hored to assess the content of the dossier received. An answer was sent on April 20th with all explanatory notes from BVC and Cenibra.</td>
</tr>
<tr>
<td>26/03/2012</td>
<td>18</td>
<td>- Frank and harmonious relationships with representatives of</td>
<td></td>
<td></td>
<td>None required</td>
</tr>
<tr>
<td>Date</td>
<td>Ref. remark</td>
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<td>CENIBRA, Government and Community, greatly facilitating the development of activities; - The Community recognizes a very positive participation of CENIBRA; - In the region of Nova Era, two companies are key highlights and the promotion of activities: CENIBRA and Nova Era Silicon; - Participation in the development of CENIBRA of social activities is of fundamental importance to the Community. Arguably CENIBRA is the company that most events are held at the social level in the region; - There is a need to involve new partners in the harmonious development of social activities, aiming at the use of funds from the Community, in view of the availability of scarce resources of the government to meet increasing demands of the</td>
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| 26/03/2012 | 19          | - CENIBRA, together with the companies Arcelor Mittal and Votorantin, was awarded the Prize Mining Environmental Management 2012, year 2011, was clearly demonstrated their environmental commitment;  
- The organization CENIBRA always strictly complied with legal requirements related to forestry activities, and all fees are properly collected.  
- The organization CENIBRA always followed all the guidelines of the Forest Code in its multiple aspects, such as PPAs, registration of legal reserve, even before the current environmental pressures;  
- All areas of Cenibra’s forest have registered legal reserves;  
- Until now, no Fine was issued by IEF with respect to environmental issues. | Community             |               |                    | None required          |
<table>
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<td></td>
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<td>to the performance of CENIBRA;</td>
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<td></td>
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<td>- CENIBRA always required the</td>
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<td>&quot;Environmental Commitments&quot; for the</td>
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<td></td>
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<td>implementation of its activities, such as building roads, crossing rivers, ...;</td>
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<td></td>
<td></td>
<td>- The relationship with CENIBRA is honest, transparent and harmonized at all levels of management. No problem has been identified to date;</td>
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<td></td>
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<td>- The image of the company as CENIBRA incentive for forest development activities is very positive, with a view to performance in small and medium producers, technology transfer, use of cloned seedlings of high technology, creating jobs, raising the income level, and rising quality of life;</td>
<td></td>
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<td>- Infrastructure available to prevent and fight forest fires is widely recognized, in view of the existence of Emergency Brigades,</td>
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<tr>
<td>20/03/2013</td>
<td>20</td>
<td>Observation Towers, Equipment, and simulated training exercises, and assistance to communities; - The organization CENIBRA management is an example for other companies.</td>
<td></td>
<td></td>
<td>Follow-up actions in June 2013.</td>
<td></td>
</tr>
<tr>
<td>20/03/2013</td>
<td>21</td>
<td>In conversation with Mr. Antonio Marques Francisco - union president of the region of Santa Barbara - he said he has been participating in reuniões on the project of modernization of forestry activities. Recognizes that there will be improvement in working conditions because there will be so much manual activity.</td>
<td></td>
<td></td>
<td>Follow-up actions in June 2013.</td>
<td></td>
</tr>
<tr>
<td>20/03/2013</td>
<td>21</td>
<td>In conversation with Mr. José Maria - union president of the region of Guanhães - he said he has been following the actions Cenibra improvement, especially regarding the cancellation of the outsourcing of labor. It is hoped that with</td>
<td></td>
<td></td>
<td>Follow-up actions in June 2013.</td>
<td></td>
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<td>Date</td>
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<td></td>
<td></td>
<td>the internalization of activities, all workers Cenibra have better working conditions.</td>
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