

**FOREST MANAGEMENT CERTIFICATION
EVALUATION ON THE NATURAL FORESTS OF
JURUÁ FLORESTAL LTDA.
FAZENDA ARATAÚ
IN NOVO REPARTIMENTO IN THE STATE OF PARÁ - BRASIL**

**Conducted under the auspices of the SCS
Forest Conservation Program**

**Certification Registration Number
SCS-FM/COC-00045N**

**Submitted to
JURUÁ FLORESTAL LTDA.**

**Distrito Industrial de Ananindeua, Quadra 06, Lote 03, Setor D
67695-000 – Ananindeua – Pará
BRAZIL**

**By
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Certification Process of the JURUÁ Florestal LTDA. natural forests in the region of Novo Repartimento in the State of Pará, Brazil covering a total area of 25,000 hectares, more than 40 native species are harvested, being the most important: Angelim, Fava, Faveira Branca, Ipê, Jatobá, Maçaranduba, Piquiarana, Tauari and Tatajuba.

Annual harvested area = 2,000 ha and
Annual volume = 23,000 m³ being the average of 11.35 m³/ha

1. PUBLIC SUMMARY

1.1 – GENERAL INFORMATION

1.1.1 – Name and Contact Information of the Certified Company

JURUÁ FLORESTAL LTDA.

Distrito Industrial de Ananindeua, Quadra 06, Lote 03, Sector D

67695-000 – Ananindeua –Pará

BRAZIL

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1.2 – General Information

At the request of JURUÁ Florestal Ltda., a certification process of natural forests was carried out in the region of Novo Repartimento in the state of Pará, Brazil. These areas are rented from AGROPECUÁRIA RIO ARATAÚ - QUEIROZ GALVÃO DO CARAJÁS S.A. The forest unit under certification evaluation is Fazenda Arataú, covering a total area of 45.696 hectares, being the rented area of 25,000 hectares of forest area. The dominant formation is dense tropical forest, being most of it already explored in the past with selective extrativism, but there is still a significative virgin area. By the local phisiographic characteristics, like soil, topography, geology and others, the forest is constituted by a very intensive mosaic of riparian areas, many with a seasonal character and interleaving with non riparian parts, defining the occurrence of many and fragmented stands of open riparian tropical forest. The purpose of the evaluation was to assess the company's adherence to international standards for sustainable forest management in accordance with the Principles and Criteria of the Forest Stewardship Council (FSC) as defined in the Brazilian National standards for Upland Amazon Forests, in the most recent version at the time of the field visit (version 7.0 from May 2000).

The planned annual volume for log supply to the sawmill in Novo Repartimento is 20 to 30 thousand cubic meters per year. The average volume to be harvested is 12 cubic meters per hectare; the conclusion being that this farm will only have enough wood to supply the sawmill alone for a period of 10 to 15 years. JURUÁ is aware that it must find other areas to supply the sawmill so that it can maintain the 30-year harvest cycle on this area.

The standards mentioned above were used in the field evaluation and served as basis for the team to make their observations and verifications. This information was also used to define the scores as well as the final certification decision, using the methodology and proceedings of the SCS Forest Conservation Program and that indicate well-managed forests. These principles are supported by the evaluation of three basic elements: Timber Resource Sustainability, Forest Ecosystem maintenance, and Financial and Socio-economic Considerations.

1.3 - Forest and Management System

JURUÁ FLORESTAL started its activities in 1992, in the city of Tucumã (PA). Activities were underway for three years, but were suspended until May 1999. At this point, Mr. Idacir Peracchi became the sole proprietor along with his wife. The operations were transferred to the cities of Tailândia(PA) and Belém (May 1999). The company produced only sawnwood up to 1999. In 2000, the company acquired an industrial unit in Ananindeua, and initiated a process of differentiation in production and value aggregation. The majority of the production thus became destined for export. In the beginning of 2000 it rented the Fazenda Arataú, beginning the harvest activities only in the end of the year. In Novo Repartimento, JURUÁ employs 32 employees directly connected to forest exploration, plus 70 on the sawmill. In total the company employs 360 direct employees, between forest and industrial activities, and over 70 third-party jobs within the transport area.

Two years ago, the company decided to begin preparations to attain forest certification. To do this, it created a forestry department, hired two foresters and two middle-level technicians. The team was also trained in the techniques of low impact harvesting. From that point, a series of adaptations have been implemented at the company in order to accomplish the new objectives. In April 2001 the forest operations of Fazenda Santa Marta, in Moju, were certified.

The current technical-administrative structure at JURUÁ includes the forest engineer André Moraes Caldeira, general supervisor of Fazenda Arataú, forest engineer Neldson Marques Lobato, general supervisor of Fazenda Santa Marta, Natalino José Loreno – Extraction Manager and Alfredo Mota Santos – Manager of the Sawmill in Novo Repartimento

JURUÁ developed a technology transfer agreement with EMBRAPA – Brazilian Enterprise for Agricultural Research (*Empresa Brasileira de Pesquisa Agropecuária*) and CIFOR – Center for International Forestry Research (*Centro para Pesquisa Florestal Internacional*), financed by the ITTO - International Tropical Timber Organization (OIMT – *Organização Internacional de Madeiras Tropicais*). This agreement involves the participation of the SUDAM – Superintendency of Amazon Development (*Superintendência do Desenvolvimento da Amazônia*) in the area of remote sensing, the Agricultural Sciences Faculty - FCAP (*Faculdade de Ciências Agrárias do Pará*), and DFID – the UK Department for International Development. There is also a technical cooperation agreement with the FFT – Tropical Forest Foundation (*Fundação Floresta Tropical*) – for research on low impact forest management. Recently, an agreement was signed with the Institute for Environmental Research in the Amazon - IPAM (*Instituto de Pesquisa Ambiental da Amazônia*), for the monitoring of the environmental impact, especially on fauna, produced by forest management utilizing low impact harvesting. However the practical results are not yet known, since the agreements are still in their implementation phase.

For the present certification job the Fazenda Arataú of JURUÁ located in Novo Repartimento in the State of Pará was evaluated. The area has the following characteristics:

Soil occupation	Total Area (ha)	%	Rented Area
Open Tropical Forest with lianas, with selective harvest	20,750	64.9	20.000
Open Tropical Forest with palm trees, with selective harvest	5,954	18.6	5.000
Open Tropical Forest with regeneration – Capoeirão	1091	3.4	
Dirty pasture (abandoned pasture with adensament of shrub-tree individuals)	2.780	8.8	
Clean Pasture	1.336	4.2	
Lakes	45	0.14	
TOTAL	31,960	100.0	25.000

Occupation of the Permanent Preserving Areas - Fazenda Arataú	Area (ha)	%
Open Riparian Tropical Forest in waivy relief	825	40,9
Open Riparian Tropical Forest with palm trees in slightly wavy relief	411	20,4
Open Tropical Forest in regeneration – Capoeirão	58	2,8
Dirty pasture (abandoned pasture with adensament of shrub-tree individuals)	123	6,1
Clean Pasture	608	30,1
Lakes	18	0,9
TOTAL	2014	100,0

1.4 - Environmental and Socio-economic Context

Environmental Aspects

The forests managed by JURUÁ FLORESTAL LTDA undergoing certification assessment are located in the Fazenda Arataú, in the municipality of Novo Repartimento, State of Pará. The approximate coordinates are 04°08'S and 50°11'W. Fazenda Arataú is approximately 25 km from the city of Novo Repartimento, at the margins of the Transamazonic Highway, that constitutes the NW limit of the property. The main activity of Fazenda Arataú is meat cattle, with detach for a structured and consistent program of genetic improvement of the nelore race.

The physiographic conditions will be described on the regional level, given the extension of the area and the lack of available secondary data. The regional relief varies from slightly wavy to very wavy, inside the group of residual relives of the Meridional Amazon Residual

Plateau, defining a complex drainage net, with many permanent water courses, of varied sizes, but none of great extension inside the object area of this report area, with many fountains and season water sources, besides innumerable drainage channels.

The regional climate is classified as “Am” (according to Köppen), with average annual rainfall above 2000 mm, with a dry season that can come to rainfall values less than 60 mm, but of very short duration. The relative humidity is always high, at values around 80%. There are two well-defined climatic periods in a year. The first, is characterized by high rainfall indices and called “winter” locally, extends from December to April. The second, defined as “summer” is characterized by higher termic sensation due to higher average temperatures and less rainfall, from June to November.

The physiographic conditions define the occurrence of different soils in the region. The predominant soils are Clay soils (formerly Yellow/red Podsoles), Red Laterite (formerly Red/yellow laterite), Yellow laterite and Neosoils (*Neossolos*) (formerly Litholics and Hydromorphic Laterites).

The predominant vegetation in the Fazenda Arataú is Open Tropical Forest, with a great extension of riparian forests beside permanent and temporary water courses. Over the more slightly wavy reliefs, occurs a detach in phisiognomy and in the quantitative forest parameters of some palm tree species, defining a sub vegetation type that is the Open Tropical Forest with palm trees. The local physiographic conditions, expressed in the edaphic mosaic and in the wavy relief, promoting rock appearance, lower water retention capacity, great amount of drainage channels and, consequently, bigger entrance of light in the inferior levels, define the domain of a more open forest type, with few very big trees, defined as emerging, that constitute the group of highest interest for wood exploring. The great majority of the trees constitute a lower level, with few trees growing to an adequate size for economic exploring. This conditions define still the great occurrence of lianas in these formations, embracing the trees and a great domain of palm trees in specific environment situations, like the Babaçú in the lower areas with more humid soils but without permanent flood. In some more specific situations, like the top of hills, that are more plain areas, over more deep soils and without more emphasized hydric influence, occur the higher forests, with more shaded and clean under brush, bigger diversity of species, that are the most typical inside the Amazon forest phisiognomy and so of higher interest for forest exploration. But its forest type occurs in a fragmented way in the area, depending on the environment conditions and the previous exploration history.

The whole forest area is seen like patches of Dense Rainforest or River Forests, and not aluvian it occurs in a complexity way with variations occurring in short distances, and determinate by the different relieves and soil types, what difficulties the permanent preservation areas mapping

This patches are more complicated when the succession stages are incorporated, because the most of the forest in this region present a different disturbance historic mainly at the lumbering, with a different intensity that vary by time and space. In the case of Fazenda Aratau beside the physiographic local conditions defining the forest physiographic and the log potential of the remaining forests. can't be ignored it can't be ignored the influence in

this characteristic the two or three decades of perturbation Lots were the perturbations in this remaining forests in this period like the construction of access and roads cutting and breaking up the Forest during the

Property opening , urbanization of some parts, and principally the selective extraction in practically all the area , harvesting species that interest the cattle activity (fences, bridges etc....)

The selective harvest occurred mainly, withdrawing individuals like Acapú (*Vouacapoua americana*), mas também de outras espécies, como *Manilkara huberi* (Maçaranduba), *Dinizia excelsa* (Angeim vermelho), *Tabebuia serratifolia* (Ipê), *Goupia glabra* (Cupiúba) and others..

Chemical Use

There is no evidence of the current or possible future use by the company of agrochemicals in the management unit. The forest management plan defines that agrochemical use be avoided to the extent possible through adoption of silvicultural practices that eliminate or reduce the need for agrochemical products.

High Conservation Value Forests

No High Conservation Value Forest was identified in this property, due to the local absence of some environmental specificity that defines its occurrence, inside the property of some particular forest type in regional terms.

Some stakeholder ask about the possibility of existing endemic primates in this farm, justifying a high conservation value forest. The company contracted a not human primate specialist Dr Bento Melo Mascarenhas with a unquestionable CV , and a lot of articles, book chapters and books about the primates in this region written, to elaborate a technical report, .,based on the works at the Fazenda Aratau and secondary dates of the region, where he describes all the non human primates observed in farm. In a total of 7 they are *Saguinus midas niger* (Macaco sagüi), *Allouatta belzebul* (macaco guariba), *Chiropotes satanas* (Macaco cuxiú), *Aotus infulatus* (Macaco da noite), *Callicebus moloch* (Macaco zogue-zogue) *Cebus apella* (Macaco prego), *Saimiri sciureus sciureus* (Macaco mão de ouro)In this report Dr Mascarenhas affirm that they are not endemic species because of the wide distribution area on basin of the Araguaia and Tocantins rivers. The author mention the specie *Chiropotes satanas* (Macaco Cuxiú, which has two sub species, one in each river bank of the Tocantins River At the right river side more often is the , *Chiropotes satanas utahicki* and on the left is *Chiropotes satanas satanas*, although he affirms that the two species should occur on the two river banks .

Socio-economic aspects

The Forest Management Unit, Fazenda Arataú, is located in the municipality of Novo Repartimento, located at about 65 km south-west from Tucuruí. The territorial extension of Novo Repartimento is of 15,396 km², with a total population of 41,819, of which according

to the 2000 census, 15.525 (37.12%) live in urban areas, while the majority, 26,294 (62.88%) live in the rural area, presenting low demographic density of 2.72 inhabitants per km². At its turn Fazenda Arataú is located in the Transamazonic Highway, at about 25 km from the municipal headquarters that is equally located by the highway in the direction of the municipality of Marabá, at south-east and opposite to Altamira at north-west. The main urban nucleus was re-built due to the fact that the antique urban area, of Repartimento, was flooded by the formation of the lake of the Hydroelectric Plan of Tucuruí.

Novo Repartimento has a relatively recent history. It's origin dates from the 70ies, with the formation of a settlement in the surroundings of a river called Repartimento, located near the lodgings of the Mendes Júnior Constructor, that worked in the Transamazonic Highway terrain leveling. Actually many social-economic problems of diverse orders are noted, including the existence of the Parakanã Indigenous Area, and of two great settlement projects: Rio Arataú and Tuerê, as well as land invasion. The "Aratú River" project was demarcated in 2001, by INCRA, being considered a relatively stabilized area, not verifying greater problems, even though it has a tumultuat history. Settlement Tuerê, consists in one of the biggest projects in the country, where 3000 families are found, many of them came from land invasion with conflict history, like Eldorado do Carajás and Curionópolis in Pará. These settlement projects are still in implantation phase, suffering with the need of infra-structure, funds, credits and technical assistance.

Besides these settlements, there are still land invasions, like areas in the region of the Gelado river, where some municipal leaderships, estimate in until 5000 the number of families that have installed themselves in the place. In this last case, there are still conflicts with miners in the proximity of the village of Santa Rita de Cássia, already in Preto river. In the same form, there is information about conflicts with wood extractors that would be extracting wood, in an illegal form, from these area and also from the Parakãna Indigenous Area. Another area of invasions of without land populations occurs in Fazenda União, the neighbor property to Fazenda Arataú, where 450 families invaded about 28,000 hectares. These invasions are not related to the MST (without land movement) that, according to the surveys made, have little performance in the municipality. This population comes, amongst other regions, from the contingent that was directed to the region of Tucuruí, attracted by the implementation of the hydroelectric construction and, mainly, by the "Second phase" of the entrepreneur, that did not observe the labor that was directed there, generating a great populations contingent without resources and without perspectives.

It should be detached, however, that, with the exception of Fazenda Nova União, the other social problems pointed out will very difficulty present interfaces with the management developed by JURUÁ, at Fazenda Arataú, due to the distance or for already being established.

1.5 – Species Harvested

JURUÁ's natural forests are primarily being utilized for supply raw material to the sawmill located in Novo Repartimento and the processing mill in Ananindeua. Logs for laminates are being sold to outside companies.

More than 40 species are being harvested. The list below presents the most important species harvested and their estimated annual volumes:

SPECIES	SCIENTIFIC NAME	Annual Volume (m ³)
ACAPÚ	<i>Vouacapoua americana</i>	1.350
CEDRORANA	<i>Cedrelinga catenaeformis</i>	1.150
CURRUPIXA	<i>Micropholia venulosa</i>	1.750
FAVA	<i>Parkia paraensis ducke</i>	760
FAVEIRA BRANCA	<i>Parkia spp</i>	1.900
IPÊ	<i>Tabebuia spp</i>	305
JATOBÁ	<i>Hymenaea courbaril</i>	1.145
LOURO	<i>Nectandra spp</i>	2.666
MAÇARANDUBA	<i>Manilkara huberi</i>	580
TAUARI	<i>Couratari spp</i>	1.350

In summary, the annual log harvest estimated for Fazenda Arataú is of 11.35m³/há and a total of until 23,000 m³/year of more than 40 forest species.

For the harvest of 2001, if the company will be certified, the only management units that will set free to be sold as certified are the ones from 14 to 23 (inclusive). This fact is due to a series of incorrections in the inventory and in the extraction practiced by the company before the field visit.

1.1.6 – Chain of Custody Certificate

Actually JURUÁ already has the chain of custody certificate for the sawmill located in the city of Tailândia, that will only use logs provenience from the FMU of Santa Marta. It's processing mill is also certified, which produces batches of certified products with 100% certified content by the certificate **SCS/COC 00265**. The rest of the wood for it's consume is not certified, is bought from third parties, and sold as no certified products, in this sense the company doesn't know if the sellers accomplish with the environmental and forest legislation.

Together with this process Juruá will certify the Novo Repartimento Sawmill, that will only process wood from this FMU, that is, will work with 100% certified wood.

2.0 - THE CERTIFICATION EVALUATION PROCESS

2.1 - Evaluation dates

- Field Work from October 23rd to 28th, 2001.
- Visit of Pre-condition fulfillment November 28-30th, 2001

2.2 - Evaluation Team

The evaluation was carried out on October 23-28 and on November 28-30, 2001, by an interdisciplinary team with experience in natural resource management under the direction of team leader Roberto Bauch, specialist in planning and management of forest resources, by Ricardo Ribeiro Rodrigues, specialist in ecology of forest ecosystems and ecological restoration, and Mário Yasuo Kikuchi, specialist in sociology of development. The team was selected on the basis of their professional experience and credibility in the field of sustainable forest management in Brazil.

Questions or commentaries about the JURUA certification process or SCS should be directed to Dr. Robert Hrubes, Vice President of Natural Resources of SCS, Oakland, California, USA – rhrubes@scs1.com.

2.3 – The Evaluation Process

During the forest certification process of Fazenda Santa Marta, in 2000, a commitment term was signed to certify the Fazenda Arataú during the 2001 harvest, since the potential of Fazenda Santa Marta was very limited.

In July 2001, the company contacted SCS to make the certification process. In September 2001, a formal agreement of the natural forest management evaluation operations was reached between JURUA and SCS, and accepted by both parts. After confirming the participation of the same evaluation team as in Fazenda Santa Marta, the field visit was scheduled for October 23-28th, 2001. During these days the team interviewed the employees involved in the management and operations in general, examined additional documents, conducted field inspections and interviewed a series of people involved in the company's forest management. The final day of the evaluation was spent in a closing meeting with the JURUA management staff, as well as in the formal scoring of the criteria, and definition of the preconditions, and discussion of additional documentation required for this evaluation. Before, during and after the field visit, the team contacted various local authorities and NGOs.

On November 28-30, a second field visit was made to verify the fulfillment of pre-conditions. This pre-conditions refers basically to guarantee that all the workers on the FMU has their legal regulations, complete the IPE's necessary for the forest activities; presentation of the commitment with Queiroz Galvão land owner, improve the general conditions of the forest camp; present a new 5% testimony area as foreseen in the FSC principles; correct location of the gallery forest; present the multi annual fauna program for

characterization and monitoring, realize a detail forest classification map of the FMU, considering the wet areas, interfluvius areas, areas with some species dominance, harvest areas or secondary forests. The company submitted final documentation requested by the team in November 2001.

The report was finished in February 2002 and sent to the company for a factual review. The factual corrections suggested by the company were incorporated in the same month being this version sent and examined by two technical revisers during March. The final version of the report, which included the peer review comments and the translation to English were sent to SCS Forest Conservation Program in the Central Office in Oakland in April 2002 for analysis of the SCS certification committee. The certificate was issued in April 2002.

2.3.1 Participation by Stakeholders in Certification Process

The Forest Certification Process required by JURUÁ Florestal for Fazenda Arataú, in Novo Repartimento occurred in a relatively short time after the certification of Fazenda Santa Marta, in Moju. Because of this situation, the process of public consult to stakeholders that, basically, did not differ from Fazenda Santa Marta, was made through sending and afterwards personal contact with some representatives of public and of civil society institutions about Social Certification, as well as through a Public Questionnaire (as model shown following) in which the sending of public preoccupations regarding environmental and social aspects that they would like to be particular object of attention in the field audit work to the evaluation team was asked. Some public preoccupations are found described bellow, in item 2.3.1.2.

2.3.1.1 - Regarding Principle 9 – High Conservation Value Forests

Since there are no High Conservation Value Areas at Fazenda Arataú and there wasn't found any attribute that defines them, even though some stakeholders told of the possibility of occurrence of some endemic primates to the region. However, it was contested by specialists that know the region deeply

2.3.1.2.- General concerns regarding the forest management of JURUÁ

- **Which is the percentage of local labor amongst the workers of Fazenda Arataú?**

JURUÁ, contracts workers for the forestall operations in Arataú Farm as well as at the sawmill in the municipal district of Novo Repartimento. The last mentioned case is not a Forestall Certification object, and as so, there wasn't done any verifying on the number and origin of the workers, although it is known that the most part of them live in the same municipal district. In the specific case of the employees that work in Arataú Farm, it was verified that 40% live in Novo Repartimento, and 60% are from other municipal districts. With the objective of, in a short term, change such aspect, a condition was presented to the company, in ways to increase the number of local workers to at least 60% in 2002, and to 70% in 2003, so the benefits with the jobs creation for a municipal district needy in jobs are turned to the local population. Although, this percentile, must be achieved following the sector's natural rotation, seen that there is no sense in promoting workers collective dismiss, just because they don't live in Novo Repartimento, what characterizes discrimination, that is forbidden in a FSC Certified Management Unit.

- **What is the concern about work safety?**

JURUÁ workers use IPE's (Individual Protection Equipment), that must be used and defined for each function. These are equipment's that, in the Amazon forestall exploration case, with rare exceptions, are used by the forestall workers that very often show themselves contraire to its use by unknowing its efficiency. As a consequence of such facts, not rarely fatal accidents or of extreme gravity occur. In this way, its use depends on a wide work of professional qualification and worker's conscientization. In general aspects, in the forestall exploration in Arataú Farm, there could be verified the use of IPE's, and even wasn't verified some workers claims about the adaptation or comfort of this equipment's, that was accomplished with a big effort made by the Company's in charged. When the non use is detected, and if the fact occurs by the company's fault that didn't provide the adequate material, the worker, although can't accomplish its activities, mustn't have his day discounted. In JURUÁ's case, it was verified, meanwhile, that the work safety technician finds itself overcharged, as an other Certified Management Unit in a different municipal district is under his responsibility. As for this fact a condition was presented to the company to hire an other work safety technician, that will by in charged of the JURUÁ's operations in Novo Repartimento, increasing the efficiency of the worker's security help in Arataú Farm.

- **How is the worker's professional qualification done in Arataú Farm?**

In the specific case of the employees that work in Arataú Farm, the qualification is done, in the low impact exploration techniques, by JURUÁ's employees that worked in the other Certified Management Unit, in the municipal district of Moju, that were qualified by FFT (Tropical Forest Foundation). Although, such fact wasn't considered as ideal by the SCS auditors, as so it must be improved. As for this fact a specific condition for the professional qualification, in ways for JURUÁ to formally implant a Annual Forestall and Management Labor Capacitating Program, including the workers of contracted companies, in case the company would work with this collaborators, being that at least 50% of the curses would be done by external institutions that, although it wouldn't have to be exclusively FFT, are recognized as capable for the function or low impact forestall exploration techniques.

- **How is the environmental education program for the community and for the Municipal District?**

The environmental education activities of JURUÁ are be develop through several meetings with parts of the resident population in Novo Repartimento, focusing in High School Students, through workshops about the Management Plan adopted by the company in the Arataú Farm, by sustainable exploration low impact techniques, were done. As it was verified during the field audits, there was a good reception by the student population. Besides this population, JURUÁ pretends, during some time, promote meetings with the different social segments, including the occupants of the Nova União Farm, property neighbor to Arataú Farm, that are estimated in 450 families. Besides that, some leaderships of the population of Novo Repartimento, manifested interest in visiting *in place* the Management Unit, in Arataú Farm. JURUÁ, in this case, does not disagree with the visits, although they must be scheduled with antecedence and in an agenda that won't prejudice its own activities.

- **What is the possibility of JURUÁ giving support to community management initiatives?**

JURUÁ, at first, affirms that does not have any restrictions in working with community management. The company even showed itself very opened to establish commercial agreements with such initiatives. As for giving specifically, technical support to community management's, although it is theoretically possible, it mustn't be forgotten that JURUÁ is a medium size company and in such ways, does not have the sufficient infra-structure to attempt adequately its own and third part activities at the same time. In this way, there are institutions that, with no doubt, have better infra-structure for such help, such as EMBRAPA, among others, that have technicians and researchers highly capacitated for the low impact forestall exploration. The company has already experience in support actions to stimulate the community management, through the EMBRAPA/CIFOR project, developed by the communities surrounding the Fazenda Santa Marta. In this way, some technical staff was available to train in community inventory. Also the company let this people learn about log volume calculation. But this population has no more interest in continue in this activities. This actions can referent the company to support the community management.

- **Does the possibility exist that the community should be prejudiced by the undertaken?**

The forest harvest done by Jurua at the Fazenda Aratau, presents no fact that could prejudice the neighbor community or the Novo Repartimento municipality in what it refers to the environment.. In relation to the regional population represented by the settling population, in the case of the two INCRA projects Rio Aratau and Tuere, the last one considered the biggest in the state of Pará with around 3000 families, coming from places like Eldorado dos Carajás and Curionópolis have not a direct relation to Jurua's management, as the last one is situated more than 70 km distance from the Fazenda Aratau. Equal is the distance do the Parakanã Indian Reserve, that beyond the distance, has the municipality of Novo Repartimento headquarters between the areas. Due to this fact it is quite impossible that Jurua's activity could prejudice the population. Opposed like it was observed before at the public claims that refers to the percentage of labors utilized by the company should be increased during the time, not only beget jobs for a poor in jobs municipality but to increase employment of citizens. Although, JURUA inform, that they develop innumerable social activities in the Moju District, as the implementation of an alphabetization and middle school program for the surrounding communities and workers, the cleaning of the home agriculture areas and community football camp with tractor and employees daily rates paid by Jurua without a payment from the community, participation in football games between workers teams and the ones of the surrounding communities, where the transport of the players is done by the company, with a ride for the other community members, if it do not compromise the people security, seen that trucks to transport logs are sometimes the only way for local transportation, mainly in emergencies with support of medication and first aid. The importance of field workers (9 technicians, operation managers and others) for the responsibility of 'good neighborhood' relations with the surrounding communities has to be mentioned so as the company's coordinator that support this activities. The experience in the other management unit shows the company's will to support other surrounding communities of the management in Novo Repartimento.

. Although, this percentile, must be achieved following the sector's natural rotation, seen that there is no sense in promoting workers collective dismiss, just because they don't live in Novo Repartimento, what characterizes discrimination, that is forbidden in a FSC Certified Management Unit.

- **How is the situation in the Preservation Areas?**

At the forest areas, the work dynamic established by Jurua Florestal is defined em some conditions for the certification, that refers in the first place to the Non harvesting in no hypothesis trees at the permanent preservation areas, as the condition is numerous at the area, in function of the regional physographic in the area. This procedure consist to allocate all the pieces of permanent preservation areas inside the management unit in the map

Before any harvest activity, even the forest inventory. This mapping where the APPS are delimited. Is done before the forest inventory, mapping all the APP that should not be considerate at the forest inventory, therefore no tree should be mapped in this condition. Though, like a security step, at the moment harvest maps are done, the areas should be

checked again to observe if no tree of a APP was wrong mapped at the inventory. In this checking where the APP are delimited at the harvest area, a classification of the trees should be done , defining at the map the ones that are in a APP and should not be harvested. The APP delimitation in each Management Unit should be done in march or April after the rainy season, to guarantee the water in the damage canals and so effective the recognize and making effective the APP. The condition to be an APP was established that any damage canal that has water in it independent of its width , that has water flowing in its waterspout , defining a permanent water course , and the ones without water flowing in the moment , have sign of water flowing in at least a part of the year , defined as seasonal water flows Among this signs can be a good defined canal ,, water puddles, absence of vegetation in the canal, sign of sediment deposits and so on. But we can't forget that at the opening of the Fazenda Aratau, for cattle activities , a process that occurs at least at two decades some parts of the APP around 600 hectares were deforested and occupies with pastures. like a result of environmental and legal planning absence of the propriety previous occupation like it occurs in the great majority of the proprieties. In this way a condition was defined to recuperate this areas . .

How the rare species are identified?

The forest inventory which is defined as obligatory done, by the company, before harvesting permits to identify the low density and frequent species in the area, that are saved of exploration even out of the APP. But , not all the species sampled at the fitosanitary survey with low density are rare species at the biological concept, but inside this group, at the forest community the really rare should be . Although the quantitative parameters are publish at the actual literature , mainly the density and relative and absolute frequency , this should not be the only identifiers as rare species, as other factors related to the biology of this species will define its effective biological rareness, like flora and reproductive biology, specific to the pollinator, environment specific etc ,The risk in that methodology to include non rare species, but that occurs in restrictive situations or in situations not mentioned at the inventory , like borders , swamp, big clears etc defining like rare others than the ones biological rare , that sometimes are common in the surrounding areas of the showed area, resulting like an sample and not of the characteristic of the species error result At the moment this is the only way we have to identify this species, because of the lack of majority of species biological data

- **How the border pasture ecotone is treated?**

The practice done at the propriety is to isolate the forest areas from the pasture areas, in an abrupt way (abrupt ecotone) through an wire fence. Although this seems to be only good for the cattle activity, it is also very good for the remaining forests, as the recent studies show the cattle activity like a Lumber agent inside the forest, changing the processes of the forest dynamic and sometimes avoiding the auto perpetuation of this areas .Probably on the try to not promote the propriety forest fragments total isolation , some forested corridors were maintained inside the pasture to attend like a bound between the remained forest.

This corridors are important to maintain the forest good condition in this fragments. At the pasture strips at the forest border, the only agricultural treatment is to slash.

How the company's management plan took in care the possibility of endemic monkeys in this region?

The company contracted a not human primate specialist Dr Bento Melo Mascarenhas with a unquestionable CV , and a lot of articles, book chapters and books about the primates in this region written, to elaborate a technical report, „based on the works at the Fzenda Aratau and secondary dates of the region, where he describes all the non human primates observed in farm. In a total of 7 they are *Saguinus midas niger* (Macaco sagüi), *Allouatta belzebul* (macaco guariba), *Chiropotes satanas* (Macaco cuxiú), *Aotus infulatus* (Macaco da noite), *Callicebus moloch* (Macaco zogue-zogue) *Cebus apella* (Macaco prego), *Saimiri sciureus sciureus* (Macaco mão de ouro) In this report Dr Mascarenhas affirm that they are not endemic species because of the wide distribution area on basin of the Araguaia and Tocantins rivers. The author mention the specie *Chiropotes satanas* (Macaco Cuxiú, which has two sub species, one in each river bank of the Tocantins River At the right river side more often is the , *Chiropotes satanas utahicki* and on the left is *Chiropotes satanas satanas*, although he affirms that the two species should occur on the two river banks .

How does the company observes the nest of some bird species that in anyway are endangered and are in felled trees?

How is done the venerable or in extinction fauna species monitoring at the area that should be managed?

Like a condition of the certification (condition 2002-04 in this document) the company should implant a fauna monitoring program to verify at the first time rare species in the area, that are not found until now, and second , in the case that this species exists the strategies and actions should be done .But this programs refers to the fauna like a whole and is not restrictive to the bird species. Until the moment the company has no actions related to identifying of rare bird species nests at felling trees.

2.3.2. - Lists of entities contacted:

- 1) Ana Cristina Barros – IPAM – acbarros@amazon.com.br
- 2) Antônio Martins Fonseca – Labor Union of the workers in the wood industry in Ananindeua – Rua Nis Cabral Vicente, 06 – Ananindeua – Pará – CEP: 67033-380
- 3) João Batista do Nascimento – Sind. Dos Trabalhadores na Ind. Da Construção e do Mobiliário de Belém e Ananideua – Travessa Nove de Janeiro, 1135 – 66060-370
- 4) Paulo Barreto – IMAZON – pbarreto@imazon.org.br
- 5) Paulo Vieira – FASE – gurupa@amazon.com.br
- 6) César Sabogal – CIFOR – ciforbra@interconect.com.br
- 7) Johan Zweede – FFT – fft@amazon.com.br
- 8) Paulo Prado – Concervation International – mprado@tba.com.br
- 9) Pedro Mourão – SUDAM – mourao@sudam.gov.br

- 10) Selma Bara Melgaço – IBAMA – via E-mail
- 11) Niro Higuchi – niro@inpa.gov.br
- 12) Marcelo Marquesini – GREENPEACE – marcelo.marquesini@dialb.greenpeace.org
- 13) Sandra Faillace – FASE – sandra@ax.apc.org
- 14) Walter Suiter Filho – WWF – walter@wwf.org.br
- 15) Garo Batmanian – WWF – garo@wwf.org.br
- 16) AIMEX (Assoc. das Ind. Exportadoras de Madeira do Estado do Pará) – aimex@aimex.com.br
- 17) Emanuel Aresti Santana Gonçalves de Matos – SECTAM – sectam@sectam.pa.gov.br
- 18) Permínio Pascoal Costa Filho – sectam@sectam.pa.gov.br
- 19) Carlos Augusto Santos Silva – FETAGRI – Travessa Dom Pedro I, 1012 – Bairro Umarizal – Belém – CEP: 66050-100
- 20) Jackson Costa Silva – CUT – Travessa Dom Pedro I, 1012 – Bairro Umarizal – Belém – CEP: 66050-100 (idem FETAGRI)
- 21) Avelino Ganze – ADS (Agência de Desenvolvimento Solidário) – Rua Bernardo Couto, 372 – Belém – CEP: 66055-080
- 22) Federação dos Trabalhadores na Indústria – fetipa@amazon.com.br
- 23) Ana Fanzeres – af64@alternativa.com.br
- 24) Irandi de Oliveira Pantoja – INCRA – irandi@blm.incra.gov.br
- 25) Nestor Ferreira Filho – advogado – nestor@amazon.com.br
- 26) Bo Matthiesen – TRADELINK – bmatthiesen@tradelink-group.com
- 27) José Maria Archer – JGD Export – jmarcher@292.com.br
- 28) Amador H. Perez – Vargas e Vargas Ltda. – Av. Presidente Getúlio Vargas, 351 – sala 1216, Belém – CEP: 66825-060 – fone: (0xx91) 241-4151
- 29) Benno Pokorny – CIFOR – pokorny@libnet.com.br
- 30) Sílvia Maria Alves da Silva – EMBRAPA/CIFOR – ssilva@cpatu.embrapa.br
- 31) José Natalino Macedo Silva – EMBRAPA – natalino@cpatu.embrapa.br
- 32) Guilherme dos Santos Carvalho – AIMEX – aimex@aimex.com.br
- 33) Carlos Augusto Santos Silva – FETAGRI – Travessa D. Pedro I, 1012 – Belém – Pará
- 34) Cléia Moreira – EMAPA – emapam@amazon.com.br
- 35) John L. van Blommestein – T.T. Timber International – mrjohn@amazon.com.br
- 36) Ian Thompson – EMBRAPA – ian@cpatu.embrapa.br
- 37) Oswaldo de Carvalho Jr. – IPAM – oswaldo@amazon.com.br
- 38) Claudia Azevedo Ramos – UFPA/IPAM – cramos@amazon.com.br
- 39) Kemel Amim Bittencourt Kalf – IPAM – kalif@amazon.com.br
- 40) Walmir Corumbá – SECTAM – sectam@sectam.pa.gov.br
- 41) Osmar José Romeiro de Aguiar – EMBRAPA – romeiro@cpatu.embrapa.br
- 42) Marco A. W. Lentini – IMAZON – lenz@zipmail.com
- 43) Sandro Marcelo Correa Lajes – FFT – sandro@fft.org.br
- 44) Suzidarly Modesto Figueira – FFT – suzi@fft.org.br
- 45) Rodrigo Antônio Pereira Junior – FFT – rpereira@fft.org.br
- 46) Carlos Augusto Ramos – FASE GURUPÁ – ramostucuxi@aol.com
- 47) José Luis Rabello da Silva – AMACOL – amacol@libnet.com.br
- 48) Edson Vidal – IMAZON – ejsilva@zaz.com.br
- 49) Guilhermina Cayres – CIFOR – gui@canal13.com.br
- 50) Américo de Souza Secco – SESI – americo@sesi.org.br

2.3.3 - List of received answers:

Empresa Tetrao Indústria e Comércio de Móveis – André Marx – andremarx@uol.com.br

Johan Zweede – FFT – fft@amazon.com.br

Anna Fanzeres – af64@alternativa.com.br

2.3.4. – List of entities interviewed during the assessment:

- FUNAI – National entity for Indian People (Belém) – Ricardo Luís Silva Costa (Forest engineer) e Antônio Abrahão (surveyor technician)

Objective: To verify the exact localization of the Parakanã Indian Area located at the municipality of Novo Repartimento , The situation of this population, as than verify problems with other social segments. It was observed that the Indian Area was settled 60 or 70 km far away from the Fazenda Aratau. Yonder the municipality headquarters is settled in the middle of the distance between the two mentioned areas, what makes difficult the interactions between the Forest Management Unit to be certified and the Indian population.

- AGROPECUÁRIA RIO ARATAÚ S.A. e QUEIROZ GALVÃO DO CARAJÁS S.A. (owner of the Fazenda Arataú) – Carlos Botelho (Manager)

Objective: Know about the activities developed at the Fazenda Arataú, as the rent contract condition with Jurua Florestal.

INCRA – National Institute for Colonization and Agrarian reform (Belém) – Evandro Barros

Objectiv: Investigate the Fazenda Aratau land tendency , as the land tendency at the neighborhood. It was verified that at Novo Repartimento exist two Settling Projects, one named Rio Aratau around 30 km far away from the forest Management Unit and Tuerê around 60 km.. The two had a trouble history , and the first was demarcated in 2001, what minimized the social conflicts.

- INCRA – National Institute for Colonization and Agrarian Reform (Tucuruí) – Gilvan Ribeiro dos Reis – Manager of INCRA

Objective: Investigate with more details the land tendency of Novo Repartimento in particular the surroundings of fazenda Aratau and the Settling Project Tuere.

ITERPA – Land Institute of Pará – Dr. Jorge Santos – Technique Director.

Objective: Obtain more information about the land situation and the social problems in Novo Repartimento, seen that the interviewee is a n expert for this area.

SUCAM – Federal Agency for Endemic Diseases– Juraci José Silva de Souza – Technic Manager for endemic diseases at Novo Repartimento.

Objective: Verify the occurrence of the endemic diseases at Novo Repartimento, in particular at the Fazenda Aratau. It was verified the occurrence of malaria, and hepatitis at the Forest Management Unit . There are no appointments of other diseases at Fazenda Aratau like leishmaniasis, tuberculosis, hanseniasis, although it happens all around at the municipality

- CUT – Central Workers Union (Belém) – Jackson Costa e Silva – General Secretary

Objective: Raise public concern of a civil society representant about the certification process at the Fazenda Arataú

- FETAGRI – Agriculture workers Union of the Pará Estate (Belém) – Rita da Luz Serra – Agriculture politics Secretary

Objective: Raise public concern of a civil society representant about the certification process at the Fazenda Arataú

- FETAGRI – Agriculture workers Union of the Pará State (Tucuruí) – Euclides Ferreira Lima –Regional Coordinator

Objective: To obtain more information about the land tendency and the social problems in Novo Repartimento , seen that the is a great social stakeholder . that was in the past the Novo Repartimento Rural Workers Union president . The interview was realized in Belém because the interviewee was in that city at the occasion of the field audit.

- FASE GURUPÁ – Carlos Augusto Ramos – Forest Engineer

Objectiv: Raise public concern of a civil society representant about the certification process at the Fazenda Arataú

- Sônia Magalhães – Anthropologist – UFPA

Objectiv: Raise public concern of a civil society representant about the certification process at the Fazenda Arataú, seen that the anthropologist is na expert of this area and of the most important local stakeholders

- Luzio Horácio Lima – Vice-president of the public workers Union in Novo Repartimento and stakeholder.

Objective: Get more information about the land tendency history and the social problems in Novo Repartimento. The interviewee is one of the oldest resident in the area, and a important stakeholder. In the same way the interview had the objective to verify about concern of a civil society representant about the certification process at the Fazenda Arataú.

- Paulo Amaral e Edson Vidal do IMAZON (Environmental NGO with lots of works at the forest area)
Objective: Ask for information about the company to be certified and about the region it acts.
- Dra. Selma Melgaço – Representant of IBAMA - Federal Environmental Institute the Para State
Eng. Sival dos Santos Marques
Objective: Raise and know about all the license procedures done by JURUÁ , mainly in relation to the management plan and 2001 operation plan. To know about existence of claims , and fines that the company gets in relation to works done in the area.
- Claudia Azevedo-Ramos (Teacher and researcher of the Federal University of Pará-- UFPA, IPAM – (Environmental NGO)
Objective: Ask for information about the company to be certified, and about fauna monitoring works in the region.

2.5 - Peer Reviewers

Expert peer reviewers are an integral part of the SCS Forest Conservation Program evaluation process. It provides a critical analysis of the evaluation report from neutral specialists. The panel of reviewers was chosen in conjunction with SCS and JURUÁ. None of the peer reviewers have any financial or other interest in JURUÁ and they have all signed agreements for confidentiality. Their comments and suggestions are found in the appendices.

Dr. Paulo Barreto, forest engineer with a Master in Forest Sciences in the Yale University, USA, research for more than 12 years at IMAZON (Instituto do Homem e Meio Ambiente da Amazônia) with a strong focus in the areas of amazon forest management, low impact logging, forest policy and economic analysis. He is also made short time consultant to a range of organizations such as the USAID, GREENPEACE, and others.

Eng. Guilhermina Cayres, Agronomist Engineer, Master in Develop Planning, experience in criterions and indicators of sustentability, work with amazon communities, agenda questions, environmental manager and forest certification, has participated in three assessments, two monitoring and one *peer review* of amazon certification operations, under FSC/Smartwood, being in charge of the social aspects in this evaluations.

3.0 - RESULTS, CONCLUSIONS AND RECOMMENDATIONS

3.1 – General Discussion

Based upon information collected and team judgements formed on JURUÁ's forest management in the Novo Repartimento region in the state of Pará, the company received

the following numerical ratings, on a scale of 0-100, with higher numbers representing superior performance. While 0 and 100 represent theoretical extremes, it is highly unlikely that any actual forest management operation would be scored at either extreme.

Program Element	Score
Timber Resource Sustainability	82
Forest Ecosystem Maintenance	81
Socio-Economic Benefits	81

In that the awarded scores for each of the three program elements reach or exceed the threshold of certifiability (80 points), the result of the evaluation is a positive endorsement of JURUÁ natural forest management in the subject region of Novo Repartimento, Pará. As such JURUÁ merits a designation of “Well-Managed Forest” for this district.

JURUÁ performance was also evaluated with regards to its fulfillment of the Principles and Criteria of the Forest Stewardship Council. The results of this analysis are presented in the table below:

Principle/ Subject Area	Strengths	Weaknesses	Condi- tions	Score
P 1: Compliance with Laws and FSC Principles	<ul style="list-style-type: none"> • Compliance with federal, state and city legislation and regulations • There is a technical staff that carries out the management plan • Payment of all fees and taxes. • There is a commitment to maintain the area as forestland and the permanent preserve areas are not harvested. • Respect for all international agreements and treaties ratified by the Brazilian National Congress • The company is duly registered with IBAMA and has a management plan and an approved annual operation plan. • There is a long-term formal commitment to adhere to the FSC P& C • Permanent preserve areas and legal reserves are maintained. There is a long-term commitment to maintain them, both by the landowner and the operator of the FMU. • The company has already experience in low impact logging, and had another unit, Fazenda Santa Marta, in Moju (PA), already certified by FCS/SCS • The responsible party for the FMU Mr. Idacir Peracchi, has withdrawn from the company Exportadora Peracchi were he work for many years, in a hostile manner 	<ul style="list-style-type: none"> • The existing manager structure need to be better formed to guarantee the accomplish of the Forest Management Plan including the monitoring programs and implementation of improvements • A great number of conditions and a new structure of the JURUA operations can commitment the works on the FMU • pastures areas without permanent preservation areas. 	Condi- tions 2002-07 2002-20 2002-21	89

	<p>in 1999 and there is no relationship between the two.</p> <ul style="list-style-type: none"> • There are no actions pending against JURUÁ. 			
P 2: Tenure and Use Rights and Responsibilities	<ul style="list-style-type: none"> • There is clear land right documentation and there are no litigation pending • The tenure is not conflictive and the use of the forest resources is secure. • There is a rental contract between the landowner and JURUÁ for 35 years, sufficient time to fulfill all of the long-term commitments for the management plan at the Fazenda Aratau, a registered area in the real estate records in Novo Repartimento • There are no local communities that have legal or customary tenure or use rights to the forest area. • The company is aware of the tenure situation of neighboring areas to Fazenda Aratau, so that the company will remain aware of any social or tenure problems. 			80
P 3: Indigenous People's Rights	<i>Since there are no indigenous communities in the neighboring areas of the Fazenda Santa Marta, nor traditional river inhabitants in the certified areas, this principle does not apply at this time..</i>			NIHIL
P 4: Community Relations and Workers' Rights.	<ul style="list-style-type: none"> • JURUÁ maintains good relations with the inhabitants of a neighboring settlement next to the FMU. • Jurua has a good work safety program and all the workers use EPIs. • The labor laws are fulfilled in the area of occupational health. • There is a safety plan including a course on first aid. • Non-forest residues are disposed of appropriately. • JURUÁ has agreements with institutions involved in forest management research for projects in research and technology transfer • Worker transport is done with adequate vehicles and under appropriate conditions with trucks and vans equipped for worker transport. • There are documented agreements and negotiations with labor unions. • Remuneration is slightly above the regional average. • The location of work camp sites is adequate, with excellent food and water for company employees. 	<ul style="list-style-type: none"> • The majority of JURUÁ workers do not reside in the nearby municipalities. • There is no a multiannual training program for the workers capacitation in the low impact logging techniques • Union representation is weak and not very active and the company does not support change. • There are not many incentives for workers to participate in local social movement • Unclear organization in relation of defining attributions, responsibilities and technical control about the works done by the workers that act in this FMU • Inexistence of a security technical specifically responsible for the activities in Novo Repartimento • Lack of a Workers Accident monitoring program 	Condi- tions 2002-07 2002-08 2002-09 2002-10 2002-11 2002-12 2002-13 2002-14 2002-15 2002-16 2002-17	82

	<ul style="list-style-type: none"> • This is a medium size company with a lean management structure that is accessible to workers, which provides for a dialogue between different stages of the hierarchy. • Child labor is not utilized • The system of labor indebtedness (<i>aviamento</i>) is not practiced. 	<ul style="list-style-type: none"> • There isn't a control system over the third part companies, to guarantee the accomplish of all procedures in a certified FMU • PCMSO and PPRA are still not adequate implemented • Although there is a control about endemic disease, there are faults in the SUCAN notification, as well as there isn't a control about their treatment 		
P 5 : Benefits from the Forest	<ul style="list-style-type: none"> • Forestry activity is economically viable and takes the full economic, environmental, social and operational costs for investment to assure maintenance of ecological productivity. • Management encourages the optimal use of forest products and minimizes loss associated with harvesting operations. • Equipment is technically appropriate and economically viable. • The company promotes use of goods and services of local suppliers • There is a pre-harvesting inventory system in place and there are growth plots located in all harvested areas • Harvesting levels of forest products do not exceed sustainable production levels. 	<ul style="list-style-type: none"> • There is very little analysis of the data from the growth plot inventories. • Necessity to implement an systematized intern audit system and periodically, to verify at least the following items: • Tracking chain of custody system (stump to sawmill) • Adequacy of the tree harvest selection criterions • Adequacy of the selection and location criterions for seed trees on the field 	Condi- tions 2002-18 2002-19 2002-20	80
P 06 : Environmental Impact	<ul style="list-style-type: none"> • Not human primates survey that occurs at this farm done by specific specialist • Snags are left standing after harvesting. • Establishment of seedling trees considering biologic criteria's (aggregation of invidious of the same specie, regional abundance etc.), and not only the stem criterions. • At least 10% of the total area is left as preservation areas, because of the importance of the Tropical Rainforest. • No agrochemicals are used in the operation. • Containers, liquid and solid non-organic wastes including fuel and oil are disposed of in an environmentally appropriate manner in adequate locations. • Trees are harvested with directional felling and planning is done for their extraction. • During tree removal to the landings, the tree end is lifted. 	<ul style="list-style-type: none"> • Need to increase the research regarding threatened species. • There are few operational guidelines at JURUÁ for the erosion control, protection of water resources and minimization of damage during harvest and road construction. • Lack of mechanism for an internal audit system to check the environmental impacts of the harvesting activities 	Condi- tions 2002-01 2002-02 2002-03 2002-06	85

	<ul style="list-style-type: none"> Genetically modified organisms are not utilized No exotic species are used. Forest conversion for non-forest usage does not occur. An adequate and consistent methodology to allocate the gallery forests in the FMU, avoiding possible mistakes and tree harvesting in this situation 			
P 07: Management Plan	<ul style="list-style-type: none"> There is a management plan, appropriate to the scale and intensity of the operations; the plan is implemented and kept up to date. The long-term objectives of forest management and the means of achieving them are clearly stated. There is a yearly Operational Plan 100% pre-harvest inventory is carried out There is an excellent map database The forest harvest equipment (skidder and chainsaw) is appropriate A public summary of the Management Plan is available to the public 	<ul style="list-style-type: none"> The gallery forests wasn't adequately demarcated on the UT maps and the tree that occur in this situation could be inventoried. The primary and secondary roads could cut gallery forest without restrictions 	Condi-tions 2002-04 2002-05	80
P 8 – Monitoring and Assessment	<ul style="list-style-type: none"> Monitoring information is registered, filed and available to be used for the planning and revision of forest operations. The company carries out research and monitors the following indicators: <ul style="list-style-type: none"> Yield of all forest products harvested Growth rates and forest regeneration Economic viability of productivity and efficiency of forest management Monitoring and tracking of the forest products is made possible through the systems employed 	<ul style="list-style-type: none"> Need to implant the fauna monitoring program. The monitoring system isn't be conducted to permit to evaluate the efficiency of the harvesting operations Lack of an intern audit system that permit the evaluation of the efficiency of the monitoring practices 	Condi-tions 2002-03 2002-06 2002-07	80
P 9 – Maintenance of High Conservation Value Forests	There were no identify any High Conservation Value Forest in this propriety in reason of a lack of any local environmental specificity that could define in this propriety some particular tipe of forest in a regional scale.			NIHIL

3.2. - Certification Decision

Over the full scope of the evaluation, the SCS evaluation team judge that JURUA has conditions to be certify because of management and technical and operational capacity in the implementation and management of natural forest management by JURUÁ. In that the awarded scores for each of the three program elements meet or exceed the threshold

of certifiability, the result of the evaluation is a positive endorsement of the management of the subject districts of Fazenda Aratau in Novo Repartimento. As such, JURUÁ merits a designation of “Well-Managed Forest” for this district for a period of five years.

The teams’ technical report was reviewed by the company as well as by the SCS certification committee. The report was also peer reviewed by a panel of two professional experts in Brazilian natural forest management in the areas of forest management, ecology and socio-economics. Changes in the final draft were made in response to the comments of these experts. Following is a summary of the evaluation team’s findings, organized into three sections: conditions, recommendations and commendations.

3.3. – Conditions and Recommendations

Commendations

JURUÁ has been operating actively for the last two years, currently renting two farms. In the current certification process, the Fazenda Aratau with 25,000 ha is being evaluated. In addition to these areas, the company has a sawmill in Tailândia, another in Novo Repartimento and a processing mill in Ananindeua. The company has a good forest management system of its natural forests for the production of sawn wood with good productivity rates. JURUÁ has systematically invested in improvements in forest harvesting, primarily in the system of low impact harvesting. It has a good technical staff and carries out its field activities with its own employees. It has partnerships with institutions that have national and international status. JURUÁ has an good forest management system for the production of sawn-wood in natural forests, with good productivity. The JURUA has systemically invested in the harvesting improvement, specially in low impact logging and has a technical qualificate group, realizing some activities with their proper team, and other in a tentative action, in a contracting system, and have also partnership with national and international renown institutions.

JURUA has an efficient administration, which favors the evolution and improvement of productive standards and the technical quality of the activity. The company is well-structured in regards to planning and execution of low-impact forest harvesting. JURUÁ uses the best existing techniques in the areas of silviculture, harvesting and forest management. It demonstrates good financial stability, is well known and respected in the region. It has a program to develop ties with neighboring communities.

Conditions

During the formal certification evaluation, certain pre-conditions were defined to correct some areas that were extremely fragile and which made it impossible to grant certification. These pre-conditions were presented to the company during the closing meeting after the field exercise on October 28, 2001. On November 28 to 30, a second field visit was made by Ricardo Rodrigues to investigate the status of these preconditions. After verifying that the preconditions were fulfilled, the full evaluation report was written, and there were define 22 conditions written below:

Condition 2002-01: By August 2001, JURUA must do the monitoring of the opening road impact and skidding, including aspects about remain vegetation damage, soil exposition and quantification of young tree affected. This monitoring must be done in sequence by UT, and the result should indicate the activities in the next UT.

Condition 2002-02:To avoid the formation of large clearings created by cutting tree that occur in blocks, JURUA must for the cutting season 2002, include in their seedling trees demarcation procedures, the inclusion of seedling trees some of this tree that occurs in blocks.

Condition 2002-03 Implement a Wildlife monitoring program at the FMU that was presented during the certification process.

Condition 2002-04: The permanent preservation areas should be previously located at the UT maps, and the trees that occur there should not be inventoried . The location of the gallery forests in maps should happen annually between March and April, to permit the inclusion of permanent and temporary water courses. In the case of UPA 2003 that will be delimited in 2002 this term will be exceptionally be extended until September 2002. The forest inventory of 100% will be done after this mapping. The inventory should be finished at the maximum until November of the same year to be harvested at the next year.

Condition 2002-05; The primary and secondary roads could only cut perpendicularly the gallery forest when extremely necessary, and, roads that run parallel to the water courses are forbidden inside the gallery forest. When passing a permanent reservation area avoid at a maximum the use of hollow stem because of the difficulty evaluate the adequate valium of water by pass, so it is better to construct bridges and or drain traps.

Condition 2002-06; Implant in May 2002, a systematic intern audit accomplish by no operational elements of this farm that should verify at least this points:

- a) Location of the permanent preservation areas at the UT maps
- b) Check trees and seedling trees at the UT
- c) Roads crossing of at the
- d) Water flow restrain at the gallery forests as a consequence of the harvest activity

Condition 2002-07 Establish until June 2002, a management structure that guaranties the accomplish of the Forest Management Plan elaborated by JURUA, including the monitoring program and implementation of improvements like:

- Monitoring of the roads wideness
- Monitoring of the final decks size
- Monitoring of the correct allocation of the permanent preservation areas and guarantee that this areas will not be harvested ,and also avoid the maximum its cross.
- Monitoring of the remain trees damage
- Monitoring of the conditions accomplish and recommendations define by SCS in this Fazenda Aratau audit report.

Condition 2002-08: To present annually in January, a forest workers and manager capacitating program, including third part workers if they exists, being a minimal of 50% of the courses given in other properly capacitated institutions.

Condition 2002-09 – In case that JURUA choose to contract third part companies the contract should in a minimum foresee

- The obligation of the use of EPI defined by JURUA
- The obligation to legally registration of all the employees working at the UMF. It should be implicit that it is not permitted workers without a register including the ones in experience time.
- Prove monthly the collection of all the taxes and social charges
- Capacitation and commitment of all the employee with the low impact logging techniques

Condition 2002-10 - Increase to a minimum of 60% the use of local labors in the totality of forest workers em 2002 and 70% em 2003 and so on.

Condition 2002-11 JURUA must have on its personal shat a minimum of 3 technician in work security (1 for the sawmill in Tailandia and Fazenda Santa Marta, 1 for the sawmill in Novo Repartimento and Fazenda Aratau, and 1 for the mill in Ananindeua) until May 2002. The technician in Novo Repartimento has to deliver monthly a report with the works done, beginning when the certification is delivered.

Condition 2002-12 – Implant starting in May 2002, a accident monitoring system containing number, type of occurrence, look for the causes and the steps that have to be taken to minimize the accidents, that has to show, when implanted, clear evidence of accident number reduction.

Condition 2002-13: Implant until June 2002 the PCMSO (Medical Control and Occupational Health Program) like the regulation norm "NR7" and the PPRA (Environmental Risks Prevention Program) like regulation norm "NR9" norm 3214/78 of the Work Ministry

Condition 2002-14: Establish until August 2002, recognition and valorization forms for the workers participation in community movement's present evidences of and participation increase.

Condition 2002-15 - Establish until August 2002, together to the local Unions, a leader and representation training program and implant them after.

Condition 2002-16 Implement right after the certificate deliver, the monitoring of the occurrence and treatment, and notions to prevent the endemic diseases like malaria, hepatitis, dengue and leichmaniosis, inside the Fazenda Aratau, also extended to the neighbor communities, and in case that it is verified the appearance of endemic malaria, contact the responsible agency SUCAM or health related professionals to verify the steps to be done to assure the correct information of the disease localization

Condition 2002-17 - Present annual in July, analyses on the previous year's harvest, including:

- Volume of planned harvest vs. actual harvest by stand (UT) by area and by species.
- Volume and density of remaining species per UT.
 - Index of planned volume vs. actual volume retired per species (UPA)

Condition 2002-18: No tree under the DBH limit, defined by the Forest Management, can never be defined as a seedling tree or be harvest.

Condition 2002-19 – Implement just after receiving the certification, an systematized intern audit system and periodically, to verify at least the following items:

- The tracking chain of custody system (stump to sawmill)
- Adequacy of the tree harvest selection criterions
- Adequacy of the selection and location criterions for seed trees on the field
All system design in a sample system.

Condition 2002-20: Present until July 2002 a permanent preservation areas recuperation program of the areas occupied by pastures at the Fazenda Aratau, together with Queiroz Galvão, fitting the propriety legally and environmentally, propitiate a connectivity between the regional remain forest, the fauna and flora flow, and the maintenance of water, including the definition of the schedule and recuperation actions.

Condition 2002-21: JURUÁ agrees that SCS will carry out two monitoring audits in the years 2002 and 2003 (in July and November) to guarantee the fulfillment of the different conditions.

Condition 2002-22: Prepare a proposal for differentiated selection of individuals trees to be harvest per species, based on a data base on the biology of those species of commercial value and on the distribution of the diametric curve of each species based on data from the FMU forest inventory, until December 2002 and implement immediately thereafter.

- **Condition 2002-23** - Taking in care the terrain topography, present until September 2002 and implement immediately, a road net maintenens plan, that can guarantee the correct maintenens, without the creation of erosion processes, like culverts along the roadside or water exits or starting runoff in some watercourses

Recommendations

- **Recommendation 2002-01** : Implement analysis of data that would verify that the harvest levels of the UPA are comparable to growth levels

- **Recommendation 2002-02 :** Create indices of the area occupied by primary and secondary roads and the forest area accessed, to be able to monitor statistics and verify tendencies.
- **Recommendation 2002-03 :** Create a follow-up system with the systematization of forest research that is and will be implemented in the certified area, to permit the company to benefit from the results achieved
- **Recommendation 2002-04:** Due to the obligation to isolate the permanent preservation areas, at the areas where harvesting is possible it is recommended that an economic pre evaluation should be done in each UT, to subsidize the decision to harvest
- **Recommendation 2002 05:** Due to the open rain forest characteristic the Fazenda Aratau, it is recommended to isolate, so quicker than possible, the areas still harvested, allowing the forest restructuration.
- **Recommendation 2002-06:** Define a practice or procedure to handle and store grease, fuel, and batteries in the way to avoid any possibility of environmental contamination.
- **Recommendation 2002-07:** Implants an environmental education program at the Forest Reserve due to its central localization in the propriety, the easy access and the occurrence of a lot of regional vegetation, because of its ecological importance and regional water dynamic. Educational trails should be established, etc., to be constructed with the involvement of the surrounding inhabitants as well as the company's own employees and their families.
- **Recommendation 2002-08:** Elaborate a Social communication and Environmental Program for the population of Novo Repartimento, so as for the families around the Fazenda Aratau
- **Recommendation 2002-9:** Aware to the environmental, hygiene cares, and waste store aspects at the professional qualification process submitted to all the employees
- **Recommendation 2002-10:** Chlorine water offered to the Jurua workers .to guarantee the quality of the water offered to them
 - **Recommendation 2002-11:** Promote always when possible, visits of the local population leaders of Novo Repartimento and other's to the management unit, to divulge the type of low impact harvest developed by the company
 - **Recommendation 2002-12:** Implant a system to receive and deliver possible public claims from the neighborhood population, and at the same time guarantee the good company institutional name close to the local population and guarantee at the same time consistency and efficiency to the actions to be taken by the company.

- **Recommendation 2002-13:** Use the CIPA like a manager mechanism of the situation lived by the workers, including problems verified every day and to clarify the collective agreement between employee and employer to promote a dialogue mechanism
- **Recommendation 2002-14:** Implant monitor system of the causes of dismissing of the own employees and of the contract companies, to verify if it is originated by procedures that the company has condition to avoid, since recycling and training of new workers generate social and economic costs to the company, that involve a larger number of workers with less productivity during the learning period.

4.0 - AUDITS

JURUÁ in this process of the Fazenda Arataú is being evaluated for the first time, end so, no previous assessments have been done. But in the Fazenda Santa Marta two annual audit had been made during the 2001 year.

4.1^a 2002 Annual Audit (1st)

4.1.1^a Audit Dates

August 6 and 7, 2002

4.1.2^a Assessment Personnel

Roberto Bauch

4.1.3^a Assessment Process

The audit activities initiated at the Arataú Farm on the 6th of August 2002 in the Novo Repartimento area (New Division) along with the general administrator Alfredo Mota Santos.

On the second day, harvest activities on the Arataú farm were visited, along with the safety technician. During the entire audit process, JURUÁ was asked to provide information necessary for the audit such as reports, information, and legal documents. The employees and technical personnel involved in all areas of the evaluation were very attentive, and their openness was a key element in the success of the audit during the short period established.

4.1.4^a Status of Conditions and Recommendations

SUMMARY OF CONDITIONS:

Conditions	Action of the company	Position in 2002
<p>Condition 2002-01 By August 2001, JURUA must do the monitoring of the opening road impact and skidding, including aspects about remain vegetation damage, soil exposition and quantification of young tree affected. This monitoring must be done in sequence by UT, and the result should indicate the activities in the next UT.</p>	<p>With regard to this condicionante a monitoring proposal of soil exposure, and remaining tree damage was presented with the following stages:</p> <ul style="list-style-type: none"> • Randomly choose a damaged tree in each UT, with minimum distance of 200 m. from the landing area. • From the tree stump evaluate the skid trails with the following parameters: <ol style="list-style-type: none"> I. Exposed soil (width and length) II. Damage to the remaining trees <p>This methodology was implemented recently and will have to be continuously evaluated in all the UT's during the 2002 harvest.</p>	<p>Condicionante in execution</p>
<p>Condition 2002-02 To avoid the formation of large clearings created by cutting tree that occur in blocks, JURUA must for the cutting season 2002, include in their seedling trees demarcation procedures, the inclusion of seedling trees some of this tree that occurs in blocks.</p>	<p>For the UPA of 2003 an attempt to include in the tree selection program called " SIVA " new a proposal for tree selection which limits the number of trees harvested per hectar, and to dtermine a minimum distance between trees to be removed was presented, for the purpose of diminishing the formation of large clearings. At the next audit the course of this proposal will be verified</p>	<p>Condicionante in execution</p>
<p>Condition 2002-03: Implement a Wildlife monitoring program at the FMU that was presented during the certification process.</p>	<p>The monitoring of fauna was initiated, in UT's 13 and 20, after the establishment of the agreement with IPAM and and worker training. During the next audit the program for 2003 will be presented.</p>	<p>Condicionante in execution</p>
<p>Condition 2002-04: The permanent preservation areas should be previously located at the UT maps, and the trees that occur there should not be inventoried . The location of the gallery forests in maps should happen annually between March and April, to permit the inclusion of permanent and temporary water courses. In the case of UPA 2003 that will be delimited in 2002 this term will be exceptionally be extended until September 2002. The forest inventory of 100% will be done after this mapping. The inventory should be finished at the maximum until November of the same year to be harvested at the next year.</p>	<p>In the next audit the progress of this condition will be verified.</p>	<p>--</p>
<p>Condition 2002-05: The primary and secondary roads could only cut perpendicularly the gallery forest when extremely necessary, and, roads that run parallel to the water courses are forbidden inside the gallery forest. When passing a permanent reservation area avoid at a maximum the use of hollow stem because of the difficulty evaluate the adequate valium of water by pass, so it is better to construct</p>	<p>A proposal "monitoring of the width and roads that cross with the app's (grotas) in the UT's of the Arataú Farm ", considering the monitoramento of the width (of 200 by 200 meters leasing and measuring this dimension) and not crossing the grotas verifying the construction and dimension of the culverts. During the field visit it was verified that the roads and the crossing of grotas were being executed and monitored adequately.</p>	<p>Condicionante in execution.</p>

bridges and or drain traps.		
<p>Condition 2002-06 Implant in May 2002, a systematic intern audit accomplish by no operational elements of this farm that should verify at least this points:</p> <ul style="list-style-type: none"> b) Location of the permanent preservation areas at the UT maps b) Check trees and seedling trees at the UT c) Roads crossing of at the d) Water flow restrain at the gallery forests as a consequence of the harvest activity. 	An audit was completed in which based on systematic sampling, every Monday the first log to be cut is chosen and it is verified if the procedures described above are well executed.	Condicionante in execution
<p>Condition 2002-07: Establish until June 2002, a management structure that guaranties the accomplish of the Forest Management Plan elaborated by JURUA, including the monitoring program and implementation of improvements like:</p> <ul style="list-style-type: none"> • Monitoring of the roads wideness • Monitoring of the final decks size • Monitoring of the correct allocation of the permanent preservation areas and guarantee that this areas will not be harvested ,and also avoid the maximum its cross. • Monitoring of the remain trees damage • Monitoring of the conditions accomplish and recommendations define by SCS in this Fazenda Aratau audit report. 	A JURUA organization chart was presented, for its forest operations in the Arataú Farm, being that the manager is the forest engineer who has in his subordination the responsibility for the pre- and post-harvest silvicultural treatments. This technician, in turn, also is responsible for the monitoring of sub-contractor employees. Work safety is also subordinated to the responsibility of the forest engineer. The organization chart is clear and effective.	Fulfilled Condicionante
<p>Condition 2002-08: To present annually in January, a forest workers and manager capacitating program, including third part workers if they exists, being a minimal of 50% of the courses given in other properly capacitated institutions.</p>	An agreement was established with INAM, in order to promote the course " Qualification and Recycling of Coordinators and Laborers of the Forest harvest", with the objective to qualify or cycle the workers in the low impact harvest techniques, being that at the time of the semester audit, it was program was ready, but but the course was not yet carried through.	Condicionante in progress
<p>Condition 2002-09: In case that JURUA choose to contract third part companies the contract should in a minimum foresee</p> <ul style="list-style-type: none"> • The obligation of the use of EPI defined by JURUA • The obligation to legally registration of all the employees working at the UMF. It should be implicit that it is not permitted workers without a register including the ones in experience time. • Prove monthly the collection of all the taxes and social charges. 	JURUA established a contract of rendering of services with the company GRAMAQ, who is responsible for harvest in the management units. Although JURUA is controlling the collections carried out for the contractor before liberating payments for services completed, there is no formal organized system of sub-contractor In the same manner another company was hired for the opening of trails for forest inventory, being that there were some irregularities in the old subcontractors camp, it was found that there was stacks of excess garbage, and failures in the sanitary conditions and in water collection For	Condicionante partially fulfilled.

	<p>account of such a situation, the security technician was responsible for the control and immediate correction of eventual irregularities. It would be interesting to implement a periodic internal audit system for JURUÁ, to verify if the procedures are being implemented correctly by the sub-contractors.</p>	
<p>Condition 2002-10: Increase to a minimum of 60% the use of local labors in the totality of forest workers in 2002 and up to 70% in 2003 and so on.</p>	<p>The auditorship observed that, within the proper employees of JURUA, the number of workders who are residents in Novo Repartimento now reaches 85% of the total (In 2001 it was 55%), while the sub-contractors enter a small evolution occured in relation 2001, but even still, it is still only 22% that live in Novo Repartimento. In any case, in verifying the totality of workers within the Management unit, it would be verified that the number of collaborators residing in the city reaches 57%.</p>	<p>Condicionante partially fulfilled.</p>
<p>Condition 2002-11 JURUA must have on its personnel a minimum of 3 technician in work security (1 for the sawmill in Tailandia and Fazenda Santa Marta, 1 for the sawmill in Novo Repartimento and Fazenda Aratau, and 1 for the mill in Ananindeua) by May 2002. The technician in Novo Repartimento has to deliver a monthly report with the work completed, beginning when the certification is delivered.</p>	<p>JURUÁ contracted a security technician of specifically for the Arataú farm management unit., and he initiated his activities in July of 2002, therefore the first monthly report has already been found complete. There are still however, some foreseen activities that were behind in relation to the foreseen cronogram, which was due to the little time in which the activities were iniciated. In the same manner, the security technician does not consider himself duly qualified for low impact harvest techniques . This professional was foreseen to participate in the course given by the INAM, as shown in the Condition 2002-08.</p>	<p>Condicionante in execution.</p>
<p>Condition 2002-12 – Implement starting in May 2002, an accident monitoring system containing number, type of occurrence, look for the causes and the steps that have to be taken to minimize the accidents, that has to show, when implanted, clear evidence of accident number reduction.</p>	<p>The industrial accidents had started to be monitored only after entrance of the new security technician in July of 2002, that being the case, the statistics refer to the month of July, when harvest activities were iniciated and were properly dictated.</p>	<p>Condicionan In progress.</p>
<p>Condicionante 2002-13: Implant until June 2002 the PCMSO (Medical Control and Occupational Health Program) like the regulation norm "NR7" and the PPRA (Environmental Risks Prevention Program) like regulation norm "NR9" norm 3214/78 of the Work Ministry</p>	<p>The PPRA has already been found to have been implemented, being that some foreseen activities are with certain delay in their fulfillment due to the little time in which the security technician initiated its activities, but already are being proven adequate to the cronogram. In regards to the PCMSSO the doctors signature is still needed in order for it to be formally in effect.</p>	<p>Condicionante partially fulfilled</p>
<p>Condicionante 2002-14: Establish until August 2002, recognition and valorization forms for the workers participation in community movement's present evidences of and participation increase.</p>	<p>A record of participation of JURUA employees in social or corporate entities was elaborated. Lack, however, to create mechanisms of incentive for participation of the workers in social or communitarian movements.</p>	<p>Condicionante partially fulfilled</p>

<p>Condicionante 2002-15: Establish until August 2002, together to the local Unions, a leader and representation training program and implant them after.</p>	<p>At the moment of the audit correspondence to the union in Tucuruí was being sent, requesting the promotion of training courses in leadership, but they were not yet accomplished.</p>	<p>Condicionante in execution</p>
<p>Condicionante 2002-16 Implement right after the certificate deliver, the monitoring of the occurrence and treatment, and notions to prevent the endemic diseases like malaria, hepatitis, dengue and leishmaniasis, inside the Fazenda Aratau, also extended to the neighbor communities, and in case that it is verified the appearance of endemic malaria, contact the responsible agency SUCAM or health related professionals to verify the steps to be done to assure the correct information of the disease localization</p>	<p>JURUÁ presented the statistics of occurrence of malaria in the Management Unit for the month of July 2002, when the harvest activities were initiated, being that there were no cases of cases of malaria in the area according to SUCAM. In regards to other diseases, such as dengue fever, hepatitis, there is no information.</p>	<p>Condicionante in execution.</p>
<p>Condicionante 2002-17 Present annual in July, analyses on the previous year's harvest, including:</p> <ul style="list-style-type: none"> • Volume of planned harvest vs. actual harvest by stand (UT) by area and by species. • Volume and density of remaining species per UT. • Index of planned volume vs. actual volume retired per species (UPA) 	<p>As it was the first year of harvesting, the analysis will be presented during the next audit</p>	<p>--</p>
<p>Condicionante 2002-18: No tree under the DBH limit, defined by the Forest Management, can ever be defined as a seedling tree or be harvest.</p>	<p>In the field audit no problems in relation to this aspect were verified</p>	<p>Condicionante in execution</p>
<p>Condicionante 2002-19: Implement just after receiving the certification, an systematized intern audit system and periodically, to verify at least the following items:</p> <ul style="list-style-type: none"> • The tracking chain of custody system (stump to sawmill) • Adequacy of the tree harvest selection criterions • Adequacy of the selection and location criterions for seed trees on the field <p>All system design in a sample system..</p>	<p>Every Monday, an audit was completed in which based on systematic sampling, the first log to be cut is chosen and it is verified if the procedures described above are well executed.</p>	<p>Condicionante in execution.</p>
<p>Condicionante 2002-20: Present by July 2002 a permanent preservation areas recuperation program of the areas occupied by pastures at the Fazenda Aratau, together with Queiroz Galvão, fitting the propriety legally and environmentally, propitiate a connectivity between the regional remain forest, the fauna and flora flow, and the maintenance of water, including the</p>	<p>With regard to this condicionante during the next audit, the proposal will be presented.</p>	<p>Condicionante NOT executed</p>

definition of the schedule and recuperation actions.		
Condicionante 2002-21: JURUÁ agrees that SCS will carry out two monitoring audits in the years 2002 and 2003 (in July and November) to guarantee the fulfillment of the different conditions.	With the accomplishment of this audit the condition is fulfilled until the present date.	Condicionante in execution
Condicionante 2002-22: Prepare a proposal for differentiated selection of individuals trees to be harvest per species, based on a data base on the biology of those species of commercial value and on the distribution of the diametric curve of each species based on data from the FMU forest inventory, until December 2002 and implement immediately thereafter.	With regard to this condicionante no proposal was presented, alleging to the fact that an agreemnt with EMBRAPA/CIFOR was made effective. During the August 2002 audit it the necessity for Jurua to create its data base immediately and to utilize the already in existance secondary information in improving of the system which chooses matrices.	Condicionante NOT fulfilled
Condition 2002-23 - Taking in care the terrain topography, present until September 2002 and implement immediately, a road net maintenece plan, that can guarantee the correct maintenece, without the creation of erosion processes, like culverts along the roadside or water exits or starting runoff in some watercourses	The standards for roadway network maintenance was presented by JURUÁ and, during the field visit, it was verified that they were being executed.	Condicionante in execution.

4.1.5^a General Conclusion of the Audit

Based on the above described comments, we recommend that the JURUÁ continue with their well-managed forest certification for the natural forests of the Arataú Farm, in the “New Repartimento” region, in the State of Pará, Brazil.

4.1^b 2002 Annual Audit (2nd)

4.1.1^b Audit Dates

November 15 & 16, 2002

4.1.2^b Assessment Personnel

Roberto Bauch

4.1.3^b Assessment Process

Activities were initiated on the 15 of November, in Novo Repartimento, along with the General Manager Alfredo Mota Santos. During the next two days, harvest activities were visited at the Arataú farm along with the safety technician. The camp used for the contracted workers of the company that was responsible for the service of opening trails was also visited, and found in good condition.

4.1.4^b Status of Conditions and Recommendations

SUMMARY OF CONDITIONS:

Conditions	Action of the company	Position in 2002
<p>Condition 2002-01 By August 2001, JURUA must do the monitoring of the opening road impact and skidding, including aspects about remaining vegetation damage, soil exposition and quantification of young trees affected. This monitoring must be done in sequence by UT, and the result should indicate the activities in the next UT.</p>	<p>With regard to this condicionante a monitoring proposal of soil exposure, and remaining tree damage was presented with the following stages:</p> <ul style="list-style-type: none"> • Randomly choose a damaged tree in each UT, with minimum distance of 200 m. from the landing area. • From the tree stump evaluate the skid trails with the following parameters: <ul style="list-style-type: none"> III. Exposed soil (width and length) IV. Damage to the remaining trees <p>This methodology was implemented recently and will have to be continuously evaluated in all the UT's during the 2002 harvest. This methodology is being implemented one branch per UT, and it was proposed that the evaluator of the UT, give a score for each track evaluated, and include the damage caused by the skidder blade while dragging.</p>	Condition in execution
<p>Condition 2002-02 To avoid the formation of large clearings created by cutting trees that occur in blocks, JURUA must for the cutting season 2002, include in their seedling trees demarcation procedures, the inclusion of seedling trees some of the tree that occurs in blocks.</p>	<p>For the UPA of 2003 an attempt to include in the tree selection program called " SIVA " new a proposal for tree selection which limits the number of trees harvested per hectare, and to determine a minimum distance between trees to be removed was presented, for the purpose of diminishing the formation of large clearings. At the next audit the course of this proposal will be verified</p>	Condition in execution
<p>Condition 2002-03: Implement a Wildlife monitoring program at the FMU that was presented during the certification process.</p>	<p>The monitoring of fauna was initiated, in UT's 13 and 20, after the establishment of the agreement with IPAM and worker training. During the next audit the program for 2003 will be presented</p>	Condicionante in execution
<p>Condition 2002-04: The permanent preservation areas should be previously</p>	<p>During the audit, it was verified that almost all of the UT's already have micro-zoning ready, as</p>	--

<p>located on the UT maps, and the trees that occur there should not be inventoried . The location of the gallery forests on maps should occur annually between March and April, to permit the inclusion of permanent and temporary water courses. In the case of UPA 2003 that will be delimited in 2002 this term will be exceptionally extended until September 2002. The forest inventory of 100% will be done after this mapping. The inventory should be finished at the maximum by November of the same year to be harvested at the next year.</p>	<p>well as 100% of the inventory.</p> <p>To obtain the completion of goal for the UPA 2003, there should be open trails in at least 2 UT's from this UPA until the end of 2002</p>	
<p>Condition 2002-05: The primary and secondary roads could only cut perpendicularly to the gallery forest when extremely necessary, and, roads that run parallel to the water courses are forbidden inside the gallery forest. When passing a permanent reservation area avoid at a maximum the use of hollow stem because of the difficulty evaluate the adequate valium of water by pass, so it is better to construct bridges and or drain traps.</p>	<p>A proposal "monitoring of the width and roads that cross with the Permanent Preservation Areas's (grotas) in the UT's of the Arataú Farm ", considering the monitoring of the width (of 200 by 200 meters leasing and measuring this dimension) and not crossing the grotas verifying the construction and dimension of the culverts. During the field visit it was verified that the roads and the crossing of grotas were being executed and monitored adequately. As we are entering the rainy season, by the next audit, the quantity of wayer passages that are destroyed should be monitored.</p>	<p>Condicionante in execution.</p>
<p>Condition 2002-06 Implant in May 2002, a systematic intern audit accomplish by no operational elements of this farm that should verify at least this points:</p> <ul style="list-style-type: none"> c) Location of the permanent preservation areas at the UT maps b) Check trees and seedling trees at the UT c) Roads crossing of at the d) Water flow restrain at the gallery forests as a consequence of the harvest activity. 	<p>An audit was completed in which based on systematic sampling, every Monday the first log to be cut is chosen and it is verified if the procedures described above are well executed. A systematic methodology, in whcih all of the operational non conformities are denoted, as well as the corrective actions taken, was also introduced.</p>	<p>Condicion in execution</p>
<p>Condition 2002-08: To present annually in January, a forest workers and manager capacitating program, including third part workers if they exists, being a minimal of 50% of the courses given in other properly capacitated institutions.</p>	<p>Forest Management training with the FFT-Tropical Forest Foundation wihtt he objective of qualifying or cycling the workers in the low impact harvest techniques. This course had a very positive impact including the improvement of the techniques used by the employees, as well as issues relating to motivation.</p>	<p>Condition in progress</p>
<p>Condition 2002-09: In case that JURUA choose to contract third part companies the contract should in a minimum foresee</p> <ul style="list-style-type: none"> • The obligation of the use of EPI defined by JURUA • The obligation to legally registration of all the employees working at the UMF. It should be implicit that it is not 	<p>JURUÁ established a contract of rendering of services with the company GRAMAQ, who is responsible for harvest in the management units and with the contractor Sao Jose for the opening of trails for the forest inventory. Although JURUÁ is completing the control of collection of taxes before releasing payment to the contractor services and the safety technician is verifying the utilization of EPI's and the</p>	<p>Condicionante partially fulfilled</p>

<p>permitted workers without a register including the ones in experience time.</p> <ul style="list-style-type: none"> • Prove monthly the collection of all the taxes and social charges. 	<p>conditions in the camps. Some irregularities were found such as the non-utilization of all the EPI's for some workers, and the utilization of chain saws without conditions. These irregularities were repaired immediately, but the safety technician should implement a more vigorous performance so that these events do not re-occur.</p>	
<p>Condition 2002-10: Increase to a minimum of 60% the use of local labors in the totality of forest workers in 2002 and up to 70% in 2003 and so on.</p>	<p>The auditorship observed that, within the proper employees of JURUA, the number of workers who are residents in Novo Repartimento now reaches 85% of the total (In 2001 it was 55%), while the sub-contractors enter a small evolution occurred in relation 2001, but even still, it is still only 22% that live in Novo Repartimento. In any case, in verifying the totality of workers within the Management unit, it would be verified that the number of collaborators residing in the city reaches 57%.</p>	<p>Condicionante partially fulfilled</p>
<p>Condition 2002-11 JURUA must have on its personnel a minimum of 3 technician in work security (1 for the sawmill in Tailandia and Fazenda Santa Marta, 1 for the sawmill in Novo Repartimento and Fazenda Aratau, and 1 for the mill in Ananindeua) by May 2002. The technician in Novo Repartimento has to deliver a monthly report with the work completed, beginning when the certification is delivered.</p>	<p>JURUA contracted a security technician specifically for the Arataú farm management unit, and he initiated his activities in July of 2002, verifying the monthly reports. The safety technician should update with more vigor the cases where EPI's are not used, or where machines without conditions are in use. He should also implement an alert signal when trees are being cut, and in the areas close to confrontation.</p>	<p>Condicionante in execution</p>
<p>Condition 2002-12 – To implement starting in May 2002, an accident monitoring system containing number, type of occurrence, look for the causes and the steps that have to be taken to minimize the accidents, that has to show, when implanted, clear evidence of accident number reduction.</p>	<p>The industrial accidents had started to be monitored only after entrance of the new security technician in July of 2002, now being completed correctly. To reinforce the security technicians work, in the same manner, a book of non conformities for all of the visits completed should be implemented, being that for every one, there should be an initiated solution.</p>	<p>Condition in progress</p>
<p>Condicionante 2002-13: Implant until June 2002 the PCMSO (Medical Control and Occupational Health Program) like the regulation norm "NR7" and the PPRA (Environmental Risks Prevention Program) like regulation norm "NR9" norm 3214/78 of the Work Ministry</p>	<p>The PPRA has already been found to have been implemented, being that some foreseen activities are being completed. In regards to the PCMSO the doctor's signature is still needed in order for it to be formally in effect, completions of the audit tests as previously agreed still need to be fulfilled.</p>	<p>Condicionante partially fulfilled</p>
<p>Condicionante 2002-14: Establish until August 2002, recognition and valorization forms for the workers participation in community movement's present evidences of and participation increase.</p>	<p>A record of participation of JURUA employees in social or corporate entities was elaborated. Lack, however, to create mechanisms of incentive for participation of the workers in social or communitarian movements.</p>	<p>Condition partially fulfilled</p>

<p>Condicionante 2002-15: Establish by August 2002, together with the local Unions, a leader and representation training program and implement them after.</p>	<p>The first contact with the Union in Tucuri was made, verifying the possibility of completing the leadership training courses but have not yet been put into effect. As a suggestions, verify the possibility of completing the programs together with the Santa Marta Farm.</p>	<p>Condition in execution</p>
<p>Condicionante 2002-16 Implement right after the certificate deliver, the monitoring of the occurrence and treatment, and notions to prevent the endemic diseases like malaria, hepatitis, dengue and leichmaniosis, inside the Fazenda Aratau, also extended to the neighbor communities, and in case that it is verified the appearance of endemic malaria, contact the responsible agency SUCAM or health related professionals to verify the steps to be done to assure the correct information of the disease localization</p>	<p>JURUÁ presented the statistics of occurrence of malaria in the Management Unit for the month of July 2002, presenting 3 cases of malaria in August, and 1 in September This semester 2 fumigations of the camp area were completed by SUCAM, with the purpose of reducing the number of mosquitoes in the area.</p>	<p>Condition in execution.</p>
<p>Condicionante 2002-17 Present annually in July, analyses on the previous year's harvest, including:</p> <ul style="list-style-type: none"> • Volume of planned harvest vs. actual harvest by stand (UT) by area and by species. • Volume and density of remaining species per UT. • Index of planned volume vs. actual volume retired per species (UPA) 	<p>As it was the first year of harvesting, the analysis will be presented during the next audit in August of 2003</p>	
<p>Condicionante 2002-18: No tree under the DBH limit, defined by the Forest Management, can ever be defined as a seedling tree or be harvest.</p>	<p>In the field audit no problems in relation to this aspect were verified</p>	<p>Condicionante completed</p>
<p>Condicionante 2002-19: Implement just after receiving the certification, an systematized intern audit system and periodically, to verify at least the following items:</p> <ul style="list-style-type: none"> • The tracking chain of custody system (stump to sawmill) • Adequacy of the tree harvest selection criterions • Adequacy of the selection and location criterions for seed trees on the field <p>All system design in a sample system.</p>	<p>The following audits are being completed:</p> <ul style="list-style-type: none"> • Integral verification for the COC ends of the of all logs received comprised of forest inventory, and all non conformities are verified weekly in the camp. • The other criteria are based on a systematic sample in which the choosing of the first log to be cut, on each Monday, is verified and the procedures describe are well executed.. • Also a book of non conformities for in-correct cases was implemented. 	<p>Condicionante completed.</p>
<p>Condicionante 2002-20: Present by July 2002 a permanent preservation areas recuperation program of the areas occupied by pastures at the Fazenda Aratau, together with Queiroz Galvão, fitting the propriety legally and environmentally, propitiate a connectivity between the regional remain</p>	<p>With regard to this condition, a proposal of plantation of 0.30 hectares was presented, which should be initiated immediately.</p>	<p>Condicionante NOT executed</p>

forest, the fauna and flora flow, and the maintenance of water, including the definition of the schedule and recuperation actions.		
Condicionante 2002-21: JURUÁ agrees that SCS will carry out two monitoring audits in the years 2002 and 2003 (in July and November) to guarantee the fulfillment of the different conditions.	With the accomplishment of this audit the condition is fulfilled until the present date.	Condicionan completed
Condicionante 2002-22: Prepare a proposal for differentiated selection of individuals trees to be harvest per species, based on a data base on the biology of those species of commercial value and on the distribution of the diametric curve of each species based on data from the FMU forest inventory, until December 2002 and implement immediately thereafter.	With regard to this condicionante no proposal was presented, alleging to the fact that an agreemnt with EMBRAPA/CIFOR was made effective. During the August 2002 audit it the necessity for Jurua to create its data base immediately and to utilize the already in existance secondary information in improving of the system which chooses matrices.	Condicionante NOT fulfilled
Condition 2002-23 - Taking in care the terrain topography, present until September 2002 and implement immediately, a road net maintenance plan, that can guarantee the correct maintenance, without the creation of erosion processes, like culverts along the roadside or water exits or starting runoff in some watercourses	The standards for roadway network maintenance were presented by JURUÁ and, during the field visit, it was verified that they were being executed.	Condicionante in execution.

4.1.5^b Additional Observations, Conditions and Recommendations

Condition 2002-24: Those responsible for GRAMAS or other companies contracted to complete the extration must have completed the Fropical Forest Foundation’s “forest management” course to be able to iniciate their activities. In the current case of GRAMAX, those responsible must complete the course by August 2003

It is intended, with the implementation of this condition to increase the techniques used by the contracted companies in the execution of forest harvest work and to reduce the non-conformities found in the farm audits, and to augment the conformity of all conditions fo forest certification.

Condicionante 2002-25: The company responsible for the harvest of the forest which in the current case is GRAMAX should implement a group life insurance for all its employees.

This condition is to standardize the minimum benefits of all the employees and to prevent problems in case more serious accidents should occur in the certified area.

4.1.6^b General Conclusion of the Audit

Based in the observations verified during the second annual audit of 2002, the auditor concludes that **JURUÁ FLORESTAL LTDA.** in the Arataú Farm have completed significant progress in regards to fulfilling their conditions and recommendations. Although more work must be executed, the general performance of the forest management has improved during the last harvest. In this case the auditor recommends that **JURUÁ FLORESTAL LTDA.** continues with their certified status as a "well managed forest " for the natural forests of the Arataú Farm, in the region of New Repartimento in the State of Pará.

4.2^a 2003 Annual Audit (#1)

4.2.1^a Audit Dates

August 9-11, 2003

4.2.2^a Assessment Personnel

Roberto E. Bauch

4.2.3^a Assessment Process

The biggest concern of an audit in the beginning of the forest harvesting season (the season goes from July to December normally) and the audit at the end of the harvest in November is to guarantee the continued performance examined during the certification process.

JURUÁ prepared a performance report for the conditions that received during the certification process, detailing their progress. The same report was used in the audit process.

The activities of the 1st semester audit of 2003 of the Arataú Farm started August 9, 2003, in Novo Repartimento, with a meeting with the administrative manager Alfredo Mota Santos in which the auditor inquired about the progress of the many conditions. It was shown that Juruá continues to outsource their forest harvesting, as well as skid trail construction, being that Juruá was carrying out a review of the contracted companies, especially their payment collection and work conditions, particularly their encampments and work safety. In the next two days the harvesting activities in the Arataú Farm were visited, along with the safety technician, and it was observed that this professional needed to be more demanding, since there was evidence of non-conformance. Also the encampment used by the contracted workers responsible for opening skid trails was inspected, and found to be in good condition.

4.2.4^a Status of Conditions and Recommendations

TABLE: SUMMARY AND CURRENT STATE OF THE CONDITIONS OF THE JURUÁ FOREST (FARM ARATAÚ)

Conditions	Action of the Company / Comments of the Auditor	Position at the end of this audit
<p>Condition 2002-02 To avoid the formation of large clearings created by cutting trees that occur in blocks, JURUA must for the cutting season 2002, include in their seedling trees demarcation procedures, the inclusion of seedling trees some of the tree that occurs in blocks.</p>	<p>For the UPA of 2003 JURUA attempted to develop a program of tree selection called "SIVA", a new proposal of tree selection limiting the number of trees harvested per hectare and determining an appropriate minimum distance between trees, trying to prevent the formation of large clearings, but unfortunately it was not operational. For UPA 2004 they will attempt to develop a visual method of implementing "SIVA". By the next audit the progress of this proposal will be verified.</p>	<p>Condition in execution</p>
<p>Condition 2002-03: Implement a Wildlife monitoring program at the FMU that was presented during the certification process.</p>	<p>The wildlife monitoring was started, in UT's 12 and 20 of UPA 2002, after establishing an agreement with IPAM and staff training. They are executing the program for 2003, that includes the remeasurement of the UT's above and the inclusion of 3 new ones: 01, 07 and 27 UT's of 2003 UPA.</p>	<p>Condition in execution</p>
<p>Condition 2002-07: Establish by June 2002, a management structure that guaranties the accomplish of the Forest Management Plan elaborated by JURUA, including the monitoring program and implementation of improvements like:</p> <ul style="list-style-type: none"> • Monitoring of the roads wideness • Monitoring of the final decks size • Monitoring of the correct allocation of the permanent preservation areas and guarantee that these areas will not be harvested, and also prevent its crossing • Monitoring of the residual tree damage • Monitoring of the accomplished conditions and recommendations defined by SCS in this Fazenda Aratau audit report. 	<p>A JURUA organization chart was presented, for its forest operations in the Arataú Farm, being that the manager is the forest engineer who has in his subordination the responsibility for the pre- and post-harvest silvicultural treatments. This technician, in turn, also is responsible for the monitoring of sub-contractor employees. Work safety is also subordinated to the responsibility of the forest engineer. The organization chart is clear and effective.</p> <p>During the 2nd audit of 2002, some non-conformance was observed:</p> <ul style="list-style-type: none"> • Sub-contracted employees without EPI's • Skidder working without adequate conditions (balding tires) <p>In the 1st audit of 2003, no non-conformance was observed.</p>	<p>Fulfilled Condition</p>
<p>Condition 2002-08: To present annually in January, a forest workers and manager training program, including third party workers if they exist, being that at least 50% of the courses are given by other properly qualified institutions.</p>	<p>A training in forest management with the FFT– Foundation Tropical Forest– was carried out with the objective of training the workers in the techniques of low impact harvesting. This course that had a very positive impact, both in the improvement of harvesting techniques and in motivation</p>	<p>Condition Not fulfilled</p>

	There is a lack of programs for 2003, they should include safety technician training and in tree falling safety for the sub-contracted companies.	
<p>Condition 2002-09: If JURUA chooses to contract third part companies, the contract should in a minimum foresee</p> <ul style="list-style-type: none"> • The obligation of the use of EPI defined by JURUA • The obligation to legally registration of all the employees working at the UMF. It should be implicit that it is not permitted workers without a register including the ones in experience time. • Prove monthly the collection of all the taxes and social charges. • Qualification and comprehension of the employees in the techniques of low impact harvesting. 	JURUÁ established a contract for rendering services with the company GRAMAQ, who is responsible for the harvesting in the UMF, and with Contrutora São José for the construction of trails for the forest inventory. JURUÁ is carrying out the control of tax collection before the payment for services rendered and the safety technician is verifying the use of EPI's and the conditions of the encampments. Some irregularities were found such as the non-utilization of all the EPI's for some workers, and the utilization of chain saws without conditions. These irregularities were repaired immediately, but the safety technician should implement a more vigorous performance so that these events do not re-occur. In Aug/03 irregularities were not found.	Condition partially fulfilled
<p>Condition 2002-11 JURUA must have on its personnel a minimum of 3 in work safety technicians (1 for the sawmill in Tailandia and Fazenda Santa Marta, 1 for the sawmill in Novo Repartimento and Fazenda Aratau, and 1 for the mill in Ananindeua) by May 2002. The technician in Novo Repartimento has to deliver a monthly report with the work completed, beginning when the certification is delivered.</p>	JURUÁ contracted a safety technician specifically for the Arataú farm management unit, and he started his activities in July of 2002, verifying the monthly reports. The security technician was trained in the semester of 2002 for the techniques of low impact harvesting. In nov/02 he began the implementation of an alert signal when trees are being cut, and in the areas close to falling. In the beginning of 2003 a new safety technician was hired that was not qualified for low impact harvesting.	Condition partially fulfilled
<p>Condition 2002-13: Implement by June 2002 the PCMSO (Medical Control and Occupational Health Program) like the regulation norm "NR7" and the PPRA (Environmental Risks Prevention Program) like regulation norm "NR9" norm 3214/78 of the Work Ministry</p>	The PPRA has already been implemented, being that some foreseen activities are being completed. How much to the PCMSO they still need to carry out needs to be tested in future audits (not examined in nov/02 and aug/03).	Condition in execution
<p>Condition 2002-14: Establish by August 2002, recognition and valuation forms for the workers participation in community movement's and present evidence of increased participation.</p>	A record of identification of participation by the employees of JURUÁ in social or corporate entities was presented. However, it lacked incentives for participation by the workers in social or community movements.	Condition partially fulfilled
<p>Condition 2002-15: Establish by August 2002, together with the local Unions, a leader and representative training program and implement them after.</p>	The first contacts with the union in Tucuruí had been made verifying the possibility of the training courses in leadership, but they still had not been held. The auditor suggests they investigate the possibility of carrying out joint programs with the Farm Saint Marta and verify this possibility in Tucuruí.	Condition in execution
<p>Condition 2002-17 Present annually in July, analyses on the previous year's harvest, including:</p> <ul style="list-style-type: none"> • Volume of planned harvest vs. actual 	In aug/03 a harvest analysis for UT and for POA of actual cut volume vs. planned tree volume and reasons for the discrepancy were presented. The species "Tatajuba", "Angelim Pedra" and "Sucupira Pele de Sapo" were harvested at 100%.	Fulfilled Condition

<p>harvest by stand (UT) by area and by species.</p> <ul style="list-style-type: none"> • Volume and density of remaining species per UT. • Index of planned volume vs. actual volume retired per species (UPA) 	<p>85%, and 83% respectively. These species and others defined after the 2003 harvest of UPA, must have more careful criteria in the definition of these trees, so other rare individuals will be saved.</p>	
<p>Condition 2002-20: Present by July 2002 a permanent preservation areas restoration program of the areas occupied by pastures at the Fazenda Aratau, together with Queiroz Galvão, fitting the property legally and environmentally, promoting a connectivity between the regional remaining forest, the fauna and flora flow, and the maintenance of water quality, including the definition of the schedule and restoration actions.</p>	<p>With regard to this condition a proposal was presented for plantation of 0.30 ha, to begin immediately. No progress had been made by Aug/2003.</p>	<p>Condition NOT fulfilled</p>
<p>Condition 2002-22: Prepare a proposal for differentiated selection of individuals trees to be harvested by species, based on a database of the biology of those species of commercial value and on the distribution of the diameter curve of each species based on data from the FMU forest inventory, by December 2002 and implement it immediately thereafter.</p>	<p>With regard to this condition no proposal was presented, alleging to the fact that an agreement with EMBRAPA/CIFOR was made effective. During the August 2002 audit the auditor made clear the necessity for Jurua to create its data base immediately and to utilize the already in existence secondary information in improving of the system which chooses matrices. For the dioecious species, 15% of matrices are left.</p>	<p>Condition partially fulfilled</p>
<p>Condition 2002-24 Those responsible for GRAMAS or other companies contracted to complete the harvest must have completed the Tropical Forest Foundation's "forest management" course before starting their activities. In the current case of GRAMAX, those responsible must complete the course by August 2003.</p>		<p>Condition NOT fulfilled</p>
<p>Condition 2002-25: The company responsible for the forest harvest, currently GRAMAX, will have to implement a group life insurance for all its employees.</p>		<p>Condition NOT fulfilled</p>

4.2.5^a General Conclusion of the Annual Audit

Based in the comments verified during the first audit of 2003, the auditor concludes that **JURUÁ FLORESTAL LTDA.** in the Arataú Farm made significant progress towards fulfilling the conditions and recommendations. Although more work must be executed, the general performance of the forest management improved during the last harvest. As such the auditor recommends that **JURUÁ FLORESTAL LTDA.** continue its certification as a "well managed forest" for the natural forests of the Arataú Farm, in the region of New Repartimento in the State of Pará.

Yours truly

Roberto Bauch

4.2^b 2003 Annual Audit (# 2)

4.2.1^b Assessment Dates

November 14-15, 2003

4.2.2^b Assessment Personnel

Roberto E. Bauch

4.2.3^b Assessment Process

The biggest concern of an audit in the beginning of the forest harvesting season (the season goes from July to December normally) and the audit at the end of the harvest in November is to guarantee the continued performance examined during the certification process.

The activities of the second semester audit of 2003 of the Arataú Farm were started on November 14, 2003, in Novo Repartimento, with a meeting with the administrative manager Alfredo Mota Santos in which the auditor inquired about the progress of the many conditions. It was shown that Juruá continues to outsource their forest harvesting, as well as skid trail construction, being that Juruá was carrying out a review of the contracted companies, especially their payment collection and work conditions, particularly their encampments and work safety. Later that day and the next day, the harvesting activities in the Arataú Farm were visited, along with the safety technician, and it was observed that this professional needed to be more demanding, since there was evidence of non-conformance. Also inspected were the encampments, the freight work, road maintenance work, the areas permanent of preservation, etc.

4.2.4^b Status of Conditions and Recommendations

TABLE: SUMMARY AND CURRENT STATE OF THE CONDITIONS OF THE FOREST JURUÁ (FARM ARATAÚ)

Conditions	Action of the Company / Comments of the Auditor	Position in the end of this audit
Condition 2002-02 To avoid the formation of large clearings created by cutting trees that occur in blocks, JURUA must for the cutting	For the UPA of 2003 JURUA attempted to develop a program of tree selection called "SIVA", a new proposal of tree selection limiting	Condition in execution

<p>season 2002, include in their seedling trees demarcation procedures, the inclusion of seedling trees some of the tree that occurs in blocks.</p>	<p>the number of trees harvested per hectare and determining an appropriate minimum distance between trees, trying to prevent the formation of large clearings, but unfortunately it was not operational. For UPA 2004 they will attempt to develop a visual method of implementing "SIVA". By the next audit the progress of this proposal will be verified.</p>	
<p>Condition 2002-09: If JURUA chooses to contract third part companies, the contract should in a minimum foresee</p> <ul style="list-style-type: none"> • The obligation of the use of EPI defined by JURUA • The obligation to legally registration of all the employees working at the UMF. It should be implicit that it is not permitted workers without a register including the ones in experience time. • Prove monthly the collection of all the taxes and social charges. ▪ Qualification and comprehension of the employees in the techniques of low impact harvesting. 	<p>JURUÁ established a contract for rendering services with the company GRAMAQ, who is responsible for the harvesting in the UMF, and with Contrutora São José for the construction of trails for the forest inventory. JURUÁ is controlling tax collection before the payment for services rendered and the safety technician is verifying the use of EPI's and the conditions of the encampments.</p> <p>In Nov. 02, some irregularities were found such as the non-utilization of all the EPI's for some workers, and the use of chain saws without safety conditions. These irregularities were repaired immediately, but the safety technician should implement a more vigorous performance so that these events do not re-occur. In Aug/03 irregularities were not found.</p> <p>During the audit of nov/03, non-conformance was seen such as:</p> <ul style="list-style-type: none"> • Spare tires and chainsaws being carried unsecured in the support truck • No clear escape route set during tree falling 	<p>Condition partially fulfilled</p>
<p>Condition 2002-13: Implement by June 2002 the PCMSO (Medical Control and Occupational Health Program) like the regulation norm "NR7" and the PPRA (Environmental Risks Prevention Program) like regulation norm "NR9" norm 3214/78 of the Work Ministry</p>	<p>The PPRA has been implemented, given that the required activities are being fulfilled. How much of the PCMSO still needs to be carried out will be observed in future audits. By the end of Aug. 03 all requirements had been met.</p>	<p>Fulfilled Condition</p>
<p>Condition 2002-14: Establish by August 2002, recognition and valuation forms for the workers participation in community movement's and present evidence of increased participation.</p>	<p>A record of identification of participation by the employees of JURUÁ in social or corporate entities was presented. However, it lacked incentives for participation by the workers in social or community movements.</p>	<p>Condition partially fulfilled</p>
<p>Condition 2002-15: Establish by August 2002, together with the local Unions, a leader and representative training program and implement them after.</p>	<p>T The first contacts with the union in Tucuruí had been made verifying the possibility of the training courses in leadership, but they still had not been held. The auditor suggests they investigate the possibility of carrying out joint programs with the Farm Saint Marta and verify this possibility in Tucuruí. Joint lectures with a social assistant is planned for 2004.</p>	<p>Condition in execution</p>
<p>Condition 2002-20 Present by July 2002 a permanent preservation areas restoration program of the areas occupied by pastures at the Fazenda Aratau, together with Queiroz</p>	<p>With regard to this condition a proposal was presented for plantation of 0.30 ha, to begin immediately. No progress waas made by nov/03, being that the EMBRAPA/CIFOR</p>	<p>Condition NOT fulfilled</p>

Galvão, fitting the property legally and environmentally, promoting a connectivity between the regional remaining forest, the fauna and flora flow, and the maintenance of water quality, including the definition of the schedule and restoration actions.	intends to develop a project in this direction in 2004.	
Condition 2002-22: Prepare a proposal for differentiated selection of individuals trees to be harvested by species, based on a database of the biology of those species of commercial value and on the distribution of the diameter curve of each species based on data from the FMU forest inventory, by December 2002 and implement it immediately thereafter.	In Aug. 02, no proposal was presented in regards to this condition, alleging to the fact that an agreement with EMBRAPA/CIFOR was made effective. During the Nov. 2002 audit the auditor made clear the necessity for Jurua to create its data base immediately and to utilize the already in existence secondary information in improving of the system which chooses matrices. For the harvest of 2003, a protocol was introduced, leaving 15% of the dioecious species. For 2004 the possibility exists for IBAMA to modify the legal criteria for the species selection.	Condition in execution.
Condition 2002-24 Those responsible for GRAMAS or other companies contracted to complete the harvest must have completed the Tropical Forest Foundation's "forest management" course before starting their activities. In the current case of GRAMAX, those responsible must complete the course by August 2003.	In the audit of nov/03 it was verified that the responsible party for GRAMAX had not attended the course. The auditor was assured that by Aug/04, 4 controlling parties would attend the course (2 GRAMAX and 2 JURUA). The auditor also Also JURUA was made aware that all future substitutions will require that the new manager are ably qualified to assume the new position.	Condition NOT fulfilled
Condition 2002-25: The company responsible for the forest harvest, currently GRAMAX, will have to implement a group life insurance for all its employees.	The insurance was implemented in October of 2003	Fulfilled Condition

4.2.5^b Additional Observations, Conditions and recommendations

Condition 2003-26: To implement the presented program of environmental education during the year of 2004, with priority for fire prevention, hunting and disclosure of the management plan.

One of the aspects important to certification is the work of environmental awareness for the entire population of a UMF; this aspect was not executed during the year of 2003.

Condition 2003-27: To construct more sanitary installations in the encampments, to achieve a maximum capacity of 10 people per toilet and/or shower.

To prevent the employees contaminating the water of the region, they will have to meet a minimum number of sanitary installations in the encampment.

4.2.5^b General conclusion

Based in the comments verified during the second audit of 2003, the auditor concludes that **JURUÁ FLORESTAL LTDA.** in the Arataú Farm carried out significant progress towards fulfilling the conditions and recommendations. Although more work must be done, the general performance of the forest management improved during the latest harvest. Along these lines the auditor recommends that **JURUÁ FLORESTAL LTDA.** continue to be certified as a "well managed forest" for the natural forests of the Arataú Farm, in the region of New Repartimento in the State of Pará.

4.3 2004 Annual Audit

4.3.1 Assessment Dates

September 22-24, 2004

4.3.2 Assessment Personnel

Roberto E. Bauch

4.3.3 Assessment Process

The activities of the 2004 audit of Fazenda Arataú began on the 22nd by auditing the logging camps: checking on sanitary conditions, accommodations, etc. Next forest harvest was observed, including cutting and skidding operations, with a particular focus on workplace safety and environmental damage. The safety technician accompanied the auditor.

The next day the auditor observed monitoring activities for the cutting and skidding operations, since the units are picked based on surveys and data publication. In the afternoon a chain of custody audit was performed in the Novo Repartimento sawmill. The auditor also observed records and methods of work safety in forest inventory.

On the 24th a field survey for chain of custody was performed with emphasis on export orders and felled trees. At the end of the day a survey of the conditions was carried out.

It was noted that Jurua continues to perform forest harvesting and road construction with third-party contractors. The company has exercised control over the contracting companies by the collection of tributes and working conditions, particularly in logging camps and workplace safety.

4.3.4 Status of Current CARs and Recommendations

CAR 2002-02
To avoid the formation of large clearing created by cutting trees that occur in blocks, in the 2002 harvest Jurua should include procedures for marking and leaving seed trees which are in these blocks.
Company Actions/Auditor Comments
FOR THE 2003 HARVEST THERE WAS AN ATTEMPT TO INTEGRATE THE "SIVA" TREE SELECTION PROGRAM. THIS WAS A NEW PROPOSAL FOR TREE SELECTION THAT LIMITED THE NUMBER OF FELLED TREES PER HECTARE AND SET A MINIMUM DISTANCE BETWEEN FELLED TREES, IN ORDER TO REDUCE LARGE CLEARINGS. UNFORTUNATELY IN THIS AUDIT IT WAS NOT OPERATIONAL. After the 2004 audit a harvest study was carried out to quantify clearings using the SIVA software. The ideal would be to work with certain species (number of trees and harvest volume) within SIVA. In the next audit this proposal will be tested. Because of the achievements made and the complexity of the situation, an extension is granted until the 2005 audit.
Position at the end of audit
CAR in progress, with an extension until the 2005 audit

CAR 2002-20
By July 2002, present a plan for recovery of Permanent Preservation Areas in the Fazenda Aratau pastures, with Queiroz Galvão, appropriating legal and environmental property, favoring connectivity between the remnant forest regions, a flow of flora and fauna, and water quality maintenance. Define the recovery actions in a timetable.
Company Actions/Auditor Comments
In regards to this condition the company presented at proposal for a 30 ha plantation area which should begin immediately. NOTHING HAS BEEN DONE SINCE NOVEMBER 2003; EMBRAPA/CIFOR CLAIMS THAT THEY WILL DEVELOP SUCH A PROJECT IN 2004. In the 2004 audit, EMBRAPA had been contacted and presented a project, in conjunction with the owner of the Fazenda, defining a locale and the planting species and they had started the nursery.
Position at the end of audit
CAR partially complete

4.3.5 Additional CARs and Recommendations

Improve diesel oil storage and handling in the Jurua logging camps and set up appropriately effective standards.	
CAR 2004-01	By the time of the 2005 annual audit Jurua should install a diesel oil tank in a place that has a box equal to the volume stored at maximum. This should be a restricted-access area, marked with signage and with all safety equipment.
Reference	FSC P6 c7 and P4 c3
Timeframe	180 days

4.3.6 General Conclusion of the 2005 audit

Based on observations from the 2004 audit field visits, interviews, and documentation reviews, the auditor concluded that **JURUÁ FLORESTAL LTDA., Fazenda Arataú**, continued to comply very well with the FSC Principles and Criteria. There were 3 aspects of their management program that were deficient with the certification standards, but the team still found the program to be in overall compliance with FSC Principles 1 through 9. The auditor recommends that **JURUÁ FLORESTAL LTDA.** continue with certification as a “well-managed forest” for its natural forests in Fazenda Arataú, Novo Repartimento region, in the state of Pará, assuming that they continue progress with the CARs.

5.0 – PUBLIC INFORMATION ABOUT FOREST MANAGEMENT PLAN AND MONITORING

JURUÁ has written a public summary of its management plan according to the requirements of FSC Principle 7. It is available by contacting JURUÁ directly or through SCS. This public summary includes the results of the monitoring programs already set into place by the company.