



ICILA S.r.l.

Public certification report on the management of poplar plantations

“ROSA ANNA E ROSA LUIGIA s.s.”

Via G. Solazzi, 2 – SABBIONETA (MN [=province of Mantova]) - Italy
Contact person: Mrs. Nicoletta Azzi - nicoletta.azzi@panguaneta.com
Tel. +39-0375-223411 fax. +39- 0375-52079

14-15 September 2006

- **Certifying institution:** ICILA Srl – Via Braille, 5 – 20035 Lissone (MI[=province of Milan]), Italy
Tel. +39.039.465239 - fax: +39.039.465168
www.icila.org - E-mail: info@icila.org
- **Date when report was drawn up:** rev. 1 17 Oct. 06 following issue of certificate
- **Author of the report :** M.Rita GALLOZZI, doctor in forestry, Lead Auditor
- **Dates of the audits:** 5 September 2006 and 14-15 September 2006
- **Certificate registration code and date of issue** ICILA-FM/COC-1010 dated 24/10/2006 expiry 23/10/2011

The vocation of the firm called ROSA ANNA E ROSA LUIGIA S.S., set up in 1978, is typically agricultural, and linked with the use of the high-water bed areas of the river Po and of the torrent Parma, apt for cultivating poplars.

The extension of the land subject to the certification covers 218.60.07 hectares governed by the “plantation management plan”, drawn up by the technical and administrative staff of the company itself. Currently, this land belongs partly to the owners of the firm, Mrs Anna ROSA and Mrs Luigia ROSA, partly to their children (Nicoletta AZZI, Mauro AZZI, Miriam TENCA and Fulvia TENCA), a minimal part is a State property concession and rented out to third parties. The owned land is all rented out with a regular contract to the company called ROSA ANNA e ROSA LUIGIA S.S.. The above mentioned referents are also proprietors of PANGUANETA S.p.a., a company for the transformation of poplars, and the manufacturer of poplar plywood, already certified by FSC Chain of Custody (ICILA-CoC-0123).

The production of poplars of the Rosa Anna e Rosa Luigia s.s. farm, therefore, is mostly destined to uphold production by PANGUANETA, through a vertical integration of production. The decision to have the firm’s poplar management certified comes from the exigency to produce FSC certified plywood, and to have a stock of certified poplar supplies as well



1. DESCRIPTION OF THE FOREST MANAGEMENT

1.1 description of the forested area, use of the ground/soil, the regional context

The Rosa Anna e Rosa Luigia farm concentrates its activity in the poplar sector in 4 zones:

- 1st zone – Province of Mantova 130 ha, communes of Viadana, Suzzara and Marcarla - Locality called Torre d'Oglio – high-water bed of the river Po and of the river Oglio
- 2nd zone – Province of Parma 52 ha, commune of Colorno locality called Sacca – high-water bed of the river Po
- 3rd zone – Province of Parma 20 ha, locality of Moletolo –high-water bed of the torrent Parma
- 4th zone - Province of Parma 18 ha, locality of Castelnuovo – high-water bed of the torrent Parma

The above mentioned areas are amongst the ones whose vocation for poplar cultivation has been foremost ever since the beginning the XX century; these are high-water bed zones of the river Po and of the torrent Parma, whose main features consist in the presence of aquatic ambiances, banks of gravel lacking vegetation, and thickets of willows that gradually subside, leaving room for high, thick forests.

The trend is to have species of poplar cultivated that are heliophilous and hydric; even if able to adapt to differing cultivation ambiances, they require average annual rain-falls exceeding 700 mm or irrigation in summertime rescue-wise. Average annual temperatures must range between 8.5 °C and 17 °C.

The interested areas usually respect the average above-mentioned values (average annual rainfall rate 700 mm, average annual temperature exceeding 12 °C).

The extension of the land subject to certification amounts to 218.60.07 ha. All the extension subject to certification - **218.60.07** hectares – is destined to poplar cultivation and there are no other vegetable types; all the land involved in the certification process being mono-specific: consisting, as it does, only in clones of poplars variously aged.

The zone of Torre d'Oglio, falling within the south Oglio Park, is inserted in the **ZPS IT20B0501 – Viadana, Porto San Benedetto, Po Ostiglia**; it features the significant presence of numerous species of birds, some of which are quite rare: the red heron, the night heron, the major white heron (hibernators), the fish hawk/osprey (to be found in spring) and the bittern (a hibernator), the penduline tit, the buzzard, the kingfisher.

Near the poplar grove of Torre D'Oglio, (directive no. 79/409/EEC, decree of the Ministry of the Environment 3 April 2000) a site of Community interest was spotted, **SIC IT20B001 Bosco Foce Oglio** (alluvial forests of *Alnus glutinosa* and *Fraxinus excelsior* : *Alno-Padion*, *Alnion incanae*, *Salicion albae*) - **d.g.r. 8/8/2003 no. 7/14106**. Even if it borders with the farm which is examined herein, said site is all the same run by the south Oglio Regional Park.

1.2- General description of the forest management system

The cultural model is Italy's poplar growing system traditional in plain areas.

According to the content of the cultural plan, poplar grove management pursues the following objectives:

1. ensuring continuity in time of poplar groves according to cultural models aimed at obtaining high quality products to be employed in the plywood industry, such as to allow for adequate economic yields;
2. reducing environmental impacts from poplar groves in the directly involved and neighbouring areas
 - before the poplar grove is felled, verify there are no nests with baby birds (e.g.: herons) and, should there be any:



PUBLIC CERTIFICATION REPORT
FSC – GOOD POPLAR COLTURE MANAGEMENT
“ROSA ANNA E ROSA LUGIA S.S.” FARM



FSC accredited

- respect nest-building moments and brooding time.
- apply for the authorisation from the competent communal office
- carry out the felling once the brooding time is over, when the small ones are able to fly and to look after themselves.
- Sensitising the staff that has access to the area by means of appropriate sign boards, by referring to the appropriate conduct that ensures reduction in the impacts on the environment

3. defining the modalities for managing poplar groves that can ensure thorough conformity with legislative requirements, and FSC principles;

4. cutting down on the use of phyto-sanitary products and of chemical fertilisers

In particular, a special corporate objective for 2007 is that fertilising operations shall have to be carried out with organic fertilisers or with ones admitted in biological farming when they are at least 10%, to reach 2016, when fertilising shall have to be done either with organic fertilisers or with ones admitted in biological agriculture when they are least 100 %.

The cultural operations envisioned in the plan are: pruning, aimed at providing leaf-stripped and knot (or node)-lacking logs, and close-to-the ground cuttings at the end of the chosen life-cycle.

To avert an explosive coming of real epiphytes of a parasitic character, and to characterise the landscape as well, the formation of a mosaic of poplar groves – created with genetically diverse clones - is preferred. Clone diversification is carried out in particular, in a period of time corresponding to the cultural cycle: the main clone shall reach 80% of the corporate poplar extension at the most.

1.3 Summary of the management/handling plan in accordance with provisions in criterion

7.4 FSC

The management plan for the plantation of the firm called Rosa Anna e Rosa Luigia, drawn up by the firm's management in July 2006, was revised in September of the same year.

It is accompanied by supporting documentation indicating the FSC procedures for forest management regarding :

- ❖ the custody chain
- ❖ legal rules
- ❖ the handling of chemical products
- ❖ the analysis, in the poplar grove, of environmental aspects and impacts
- ❖ the handling of maintenance
- ❖ handling human resources
- ❖ company structure and internal task book
- ❖ felling the poplar grove
- ❖ handling emergencies
- ❖ handling waste
- ❖ handling disputes and litigation

Its validity period has not been defined but it is linked to the duration of the chosen plantation life-cycle (10 years); periodical revision is envisioned so that it is possible to adequately respond to possible changes in environmental, social and economic conditions, likely to be emphasised in the monitoring stage, and to allow for continual compliance with technical, administrative, legal, social, economic and environmental requirements, as fixed by FSC.

The plantation's handling plan shall guarantee that this is integrated with autochthonous vegetation strips, nuclei or elements covering, as a whole, no less than 2% of the forest's extension (equal to about 4 hectares). To such end, the following areas have been identified:

1) Torre d'Oglio: about 2 ha on the land bordering with river Oglio. In 2007 planting shall be carried out of autochthonous arboreal species, as can be seen in the list issued by the south Oglio Park.



2) Sacca: about 2 ha on the land bordering with river Po. The land, which is now planted, shall be free at the end of 2008. Subsequently, the planting of autochthonous arboreal species shall be carried out.

The poplar clone to be cultivated is chosen in relation to the final destination of the woody product (plywood), to the farming ambience (pedo-climatic characteristics of the planting station), of possible restraints of an environmental nature, enlisting in the National Register of the Forest Clones.

The clones that turn out to be most appropriate for the territory and the envisioned productive purpose (plywood sector products) are:

I 214 - Beaupre' – Neva - Patrizia Invernizzi

New planted units are accomplished exclusively with nursery material furnished with a “clone identity” and a certificate which is “appropriate for marketing purposes”.

From the technical viewpoint, the features of the planted unit, the choice of the spacing was carried out by taking into account the features of the area (land climate) and of the clone, and its conditions the duration of the selected life-cycle, which increases as the distance between the single planted units increases. In the company's poplar groves, the number of poplars per hectare varies from a minimum 200 (50 sq m/plant) to a maximum 280 (36 sq m/plant), whilst a minimal 5 metre distance between plants is abided by.

Planted units densities that do not exceed 250-280 plants per hectare are used preferably, as well as rectangular planted unit sixths (6x7) since they allow for the reduction of both ovalisations and trunk curving to minimum, besides favouring diametrical growths.

The sixth of a planted unit (anyway, always bigger than 5 m) was chosen by the company's general management and recorded for every lot in the relevant documentation.

With regard to planting modalities, for the planting of a poplar-grove, the ground is prepared by means of:

- 30-50 cm ploughing (preferably in summer time after the felling) and fertilising of the estate
- the ground is left to rest for two-three months
- the use of a disc pulveriser harrow.

The planting of the single, small poplar plants is carried out at a depth which is equal to one fifth of their height (130 cm for the two-year-old ones); the diameter of the hole is about 30 cm.

Cutting/felling takes place after about 10 years. Such selected life-cycle may vary depending on the clone, on the vegetal state of the plants, on the state of the poplar market.

The summary provided above (1.2 and 1.3) emphasizes that the cultural work proposed in the plan, not only does not jeopardize the state of conservation of the territory employed, but is even aimed at improving its use as time unfolds.

1.4 list of the monitoring procedures. in accordance with criterion 8.5

The monitoring activities linked with poplar-growing take place with the direct participation of the corporate structure, who ensure that the specialist work linked to “forest management/handling” is carried out.

The activities linked to the dynamics and development of the plantation are listed in the monitoring plan, which envisions data analysis on:

- growth of the poplar grove (measurement during the 3rd- 6th and 10th year) of the diameter of the plants; the data is provided in an appropriate prospectus provided on an electronic support: list of lots with growth rate
- state of fellings and of sales, data provided in the register of sales
- composition of the flora and of the fauna and possible changes; data provided in the poplar grove management register



- damages endured by poplars due to environmental causes and fungus or parasite attacks; data provided in the poplar grove management diary.
- chemical analyses of the ground.

1.5 Description of the areas excluded from the purpose of the certificate with related motivations and controls

The Rosa Anna e Rosa Luigia farm is thoroughly certified; the extensions that are subject to certification correspond to the ones subjected to poplar planted units for an overall **218.60.07** hectares.

2 Forest management standard for the assessment

2.1 reference to the standards in use, by including the version number and the drawing up date

For forest management assessment, the following control guide was used: generic and standard check list for forest management – The Italian Alpine Arc version 2 July 2002 (please refer to ICILA check list i2203 – ALPINE ARC – Rev. 1 January 2005).

2.2 description of the standard adaptation process

The – ALPINE ARC – standard, rev. 1 January 2005 approved by the FSC Italy Association on 2/7/02 and not yet accredited by FSC, was adopted without any modifications by ICILA.

3. VERIFICATION PROCESS

3.1 Inspection/audit dates

The inspection was carried out by:

- C. Ceconi, doctor in environmental sciences, for the preliminary part, consisting in the consultation of the stakeholders
- M. Rita GALLOZZI, doctor in forestry, lead auditor (RGVI), ICILA
- Lorenzo VIETTO, agronomist, auditor (AVI), ICILA
- Lorenzo Guerci, observer, (ICILA).

The assessment group carried out the certification mission through the following stages:

1. consultation of the stakeholders, c/o the premises of the south Oglio Regional Park, on 5 September 2006, in the morning
2. certification inspection, on 14 and 15 September 2006.

Time spent on the inspection

1st day	Telephone and e-mail contacts with stakeholders
½ days/man	Participation in a meeting with stakeholders
1 day/man	Documentary audit and on-the-spot audit
1/2 days/man	Documentary audit and final meeting.
2 days/man	Drawing up of the certification report

Audit methods

The implemented techniques were the usual interviews, document consultations and registrations, inspections of work-places and of forest management locations

3.2 a description of the verification including pre-verification inspections, if pertinent

The morning of the first certification inspection day was spent c/o the company’s administrative offices, in order to verify organisational and documentary aspects.

The afternoon was devoted to on-the-spot inspections to 15 lots, for an overall 136.81 hectares approx.



Different aspects linked to management were assessed, such as verifying the state of the top soil after cutting work, the areas that shall be destined to bringing back the original riverside wood, while verifying existing plantations, the existing infrastructures to be found inside the company, the apportionment of the various lots, the likely (or unlikely) evidence of environmental impacts.

3.3 Consultation of the stakeholders, including a list of the subjects contacted about the certification process

The “Rosa Anna e Rosa Luigia” farm , in collaboration with ICILA and the south Oglio Park Institution, arranged a meeting with the interested parties for 5 September, c/o the premises of the park itself.

The following subject-matter was discussed at the meeting:

- the farm called Rosa Anna e Rosa Luigia
- the management of the south Oglio Park
- the audit group

During the meeting, no particular criticality regarding management emerged.

As for requirements, after a presentation and explanation by ICILA, the application/enforceability of principle 10, “plantations”, was discussed: a few objective, “technical” difficulties were found in executing the norms indicated by some requirements:

- 10.3.3 and 10.3.2 – possible operational and administrative difficulties affecting lots set up with several clones of the same age (please refer to report, page 9)
- 10.7.2 – “the exceptional events”, for which soil closure work is admitted, are not well defined.

moreover, talks took place on principle 6 “environmental impacts” and on principle 9, “forests whose conservation is highly important”, since – as has already been stated – also the south Oglio Park institution was taking part in the meeting.

Before the audit, moreover, some of the leading subjects with environmental, social or economic interests in the area were contacted either by phone or through e-mail (Italia Nostra, Lega Ambiente -*League of the Environmen-t* Mantova, Federcaccia - *the Hunters’ Association-* , Association of the apiarian producers of the Province of Mantova, GAL Oglio, the Mantua section of the WWF, F Sez. Basso Mantovano, Consorzio Agrituristico Mantovano - *Consortium of the Holiday Farms of the Manta area/province-* , Amici Bicicletta Mantova - *Mantua Cycling Friends-* and other ones) who either did not answer or did not raise specific problems

4. OBSERVATIONS

4.1 a general presentation of the observations on which the final decision is based:

4.1.1. a list of the main strengths and weaknesses compared with the standards used for assessments .

Main strengths

Involvement of owners

The Rosa Anna e Rosa Luigia farm is an example of correct and functional management of poplar groves on the plain.

The company’s management and, as a result, the administrative offices, preserve and update, in an efficient and thorough manner, all the documentation pertaining to the management of the poplar groves, from economic (payment of various taxes) to legal facets (concessions, workers’ contracts, property, safety in the company...), from environmental (waste disposal, use of chemical products, the park’s territorial plan...) to technical aspects (documents concerning agricultural machineries, certificates regarding the origin and type of clones...).



Moreover, the company appears to be remarkably committed in pursuing FSC principles and criteria, as well as in protecting the territory's naturalistic and landscape features.

Partners and collaborators

A good entente with the management of the south Oglio Park, with which the company often collaborates for tourism/recreational motives (the “*Water Day*”, guided visits to the habitats linked with the poplar groves...) as well as for technical reasons (forms of processing carried out on the request of the park).

Also relations with local institutions (communes, provinces, Coldiretti...) are excellent.

Careful training of the staff

The company provides continual and specific training to its own workers, in order to improve their qualifications and promote career advancements.

Efficiency of the plantation management/handling plan

The handling plan is complete and functional in all its parts, enclosures were drawn up in a detailed fashion, and meet all requirements linked to certification standards.

Also the monitoring plan is well articulated, and the data collected is then analysed and used as a set of “indicators” in revising the handling plan.

Good level of acquaintance with the standards

The subjects of the company to be referred to, that followed inspection verification, appeared to be acquainted with/to know the FSC standard employed (ALPINE ARC standard) very well, so much so, as to [be able to] discuss whether what is demanded by a few criteria referring to the reality of the form of poplar-growing carried out in the company is valid or not.

Main weaknesses

There is no apparent weakness/ flaw in the organisation with regard to company and poplar grove management.

An aspect to be revised/reviewed concerns the handling plan: the inclusion amongst phyto-sanitary items of a product (a tackifier) that is not allowed in poplar-growing, as emphasized by the NCS. Said aspect was already worked out by sending back the product, and highlighting the prohibition to use such an article in the handling plan.

4.1.2.A PRESENTATION OF THE INFORMATION THAT MAY HELP READERS UNDERSTAND EASILY THE PUNCTUAL CORRELATION (OF EVERY FSC PRINCIPLE) BETWEEN WHAT THE NORM ENVISIONS AND WHAT OWNERSHIP CARRIES OUT’.

Fsc Principle 1

Compliance with norms

The corporate organisation demonstrated that it can comply with all legislative provisions on both a domestic and regional/local level with regard to fiscal, environmental, security and worker protection aspects. There is no evidence that any law has been infringed.

Regularity was assessed also with regard to mandatory social security/welfare contributions/payments and tax obligations.

Documentation in the hands of the company regarding said principle [is] detailed and exhaustive.

Fsc principle 2

Property and users’ rights

Property rights, concessions and leases all documented; the cadastre prospectus and satellite cartography owned by the company complete the above-mentioned documentation.

No use, or fruition, rights with regard to poplar grove areas are foreseen.



Fsc principle 3
Rights of indigenous populations (not applicable)

Fsc principle 4
Relationships with the local community and labourers' rights

The company pays special attention to this aspect, by being very careful about their workers' security/safety and by having them trained, arranging in-house courses on many subjects: chemical products, the agricultural equipment employed, first aid assistance, industrial accidents. Also the contract for the sole third-party worker/company that collaborates inside the firm conforms with what is demanded by the principle in question.

Fsc principle 5
Benefits deriving from forests

The principle is substantially observed, given that the company's activity is solely productive and oriented at obtaining the maximum economic potential afforded by the poplar groves, by pursuing a policy that tends to minimise waste.

Fsc principle 6
Environmental impacts

There is no evidence of irregularities or of instances of lack of care in protecting and respecting the territory in general; special care is spent on the handling procedures of the poplar groves inside the ZPS zone (special protection zones) as well as in the south Oglio Park. Assessments of the environmental impacts furnished in the handling plan - envisioning strict regulations governing working periods in the poplar groves to avoid disturbing the avifauna, the respect of the distance of the planted units from the vegetable riverside strips and rigidly overseen/controlled accesses to the property units – are favourable.

The choice of the chemical products employed must be revised, even if to a limited extent.

Fsc principle 7
Plan for forest management

The plantation management/handling plan of the “Rosa Anna e Rosa Luigia” firm, drawn up by corporate management in July 2006, was revised in September that same year.

It is detailed, also exhaustively complete, with its enclosures, concerning various aspects: chain custody – legal provisions – chemical product handling–poplar grove environmental impact analysis–maintenance handling – the handling of human resources – the company structure and the in-house task list – felling the poplar grove –emergency handling – handling of waste – communications and dispute handling. it contains, by and large, what is envisioned by the various criteria of principle 7.

Fsc principle 8
Monitoring the state of the forest

The various monitoring work carried out is affected by both technical (diametrical growth of the trunks, damage caused by either mushrooms or phenomena that are natural to poplar, felling operations) and environmental parameters (soil analysis, damages to flora and fauna)

The analysis of the data thus collected, included in the poplar grove handling register, furnishes some guidelines to the company for revising the handling plan.

As a whole, principle 8 is abided by.

Fsc principle 9 -
Preservation of the forest whose maintenance is highly worthwhile

Principle 9, in this case, is not applicable: the vegetable formation being examined is a plantation and lacks all attributes that might classify it as a unit whose conservation is of high value. The



south Oglio Regional Park management itself, during stakeholder consultation, motivated the setting up of the ZPS as a junction of 3 SICs (sites of Communitarian interest) to be found in the area (without corporate property) and, therefore, no feature of the poplar grove, displaying high conservation worth, is acknowledged.

**FSC principle 10 -
 Plantations**

The principle is substantially complied with.

Also the will to preserve and protect the environment is to be appreciated in such a context, evident as it is both in the trend towards exclusive use of organic fertilisers –or ones that are admitted in biological agriculture within the next 10 years at least for 100 % of the poplar groves, and in re-converting lots where the poplar grove has been felled, in natural areas covered with autochthonous arboreal and shrub vegetation.

Using numerous clones guarantees a certain productive and genetic variety, besides distinguishing a certain landscape diversity.

4.1.3. Cases when one or more stakeholders have noticed an instance of non-conformity but the auditors concluded nonetheless that the certificate can be issued, the public summary shall have to explain why the auditors found that there was no non-conformity or why the non-conformity was assessed as secondary, or what action was undertaken to correct the non-conformity before certificate issuance.

Not applicable, since no diversity emerged between what the auditors assessed and what the stakeholders communicated

4.1.4 Description of every issued, primary non-conformity, and the actions undertaken by ownership to remedy before certificate issuance .

<p>NCP 1</p>	<p>In the warehouse where the phyto-sanitary articles are stocked, the commercial product called OVIPRON TOP is present, of the company named Cerexagri, made with mineral oil used for controlling wool aphids. Pursuant to legislative decree no. 194 dated 17/03/1995, the culture where the product is to be employed must be listed on the label. In the specific case, the above-mentioned article lacks the wording “poplar”.</p>	<p>The article called OVIPRON TPO to be found c/o the company’s warehouse, was sent back to the supplier, the Consorzio Agrario Lombardo Veneto – Verona, on 16/09/2006.</p> <p>Worked out.</p>
---------------------	--	---

5 decision for the certification

5.1 a statement that the plantation was certified by ICILA pursuant to the requirements of the standard , the date of certification and certificate expiry date

The certification committee, which congregated on 24/10/2006, deliberates to grant the certification with annual surveillance starting from the date of certification.
 ICILA-FM/COC-1010 of 24/10/2006 expiry date: 23/10/2011

5.2 a list of non conformities that managers must correct to preserve/maintain certification including the time when said corrective actions must be undertaken.



PUBLIC CERTIFICATION REPORT
FSC – GOOD POPLAR COLTURE MANAGEMENT
“ROSA ANNA E ROSA LUGIA S.S.” FARM



FSC accredited

TABLE OF OBSERVATIONS (O)

O 1	We recommend that the “Rosa Anna e Rosa Luigia” farm secures (closure with grate.....) the immersion tank - to be found in the Torre d’Oglio plantation - where the little poplar plants are immersed, in order to avert possible accidents.	A criticality which can be easily worked out. At the end of September, fore security purposes, the management authorised the use of a protection net which was installed at once. (see enclosed photograph) Solved/worked out.
-----	--	---



PUBLIC CERTIFICATION REPORT
FSC – GOOD POPLAR COLTURE MANAGEMENT
“ROSA ANNA E ROSA LUGIA S.S.” FARM



Document written by:
Dr. **Maria Rita Gallozzi**, lead auditor

Contents of the document controlled and approved by:	
<p>ICILA S.r.l. Via Braille 5 – 20035 Lissone (MI) - Italy Tel. +39-039465239 - fax. +39-039465168</p> <p>Lissone (MI),</p>	<p>Organisation verified: The Farm called Rosa Anna e Rosa Luigia S.S.</p> <p>Place and date:</p>
<p>Riccardo Giordano FSC Certification Manager</p> <p>Signature:</p>	<p>Signature:</p>