

IBOPE

VERIFICATION REPORT
SOCIALCARBON® Standard

Argibem, São Sebastião and Vulcão Ceramics
Fuel Switching Project
Vulcão Ceramic

12/20/2011

IBOPE

PROJECT GENERAL INFORMATION

Project Title: Argibem, São Sebastião and Vulcão Ceramics Fuel Switching Project - Vulcão Ceramic Report

Project Address: Estrada Campo Alegre, 200 B. Nanci - Queimados, RJ - Postal Code: 26.317-180, Brazil

Project Point: 2 (two)

Verification Period:

Audit Verification Period from 05/16/2011 to 12/20/2011

On Site Visit Date: from 08/19/2011 to 08/19/2011

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1. INTRODUCTION

The present document, SOCIALCARBON®'s Verification Report, aims at providing assessment of the conformities, findings and resolutions regarding the SOCIALCARBON®'s Report of Argibem, São Sebastião and Vulcão Ceramics Fuel Switching Project - Vulcão Ceramic Report in agreement with the criteria of the SOCIALCARBON® Standard.

2. OBJECTIVE

The purpose of this verification report is to perform an audit by an independent third party to analyze the accomplishment of SOCIALCARBON® Standard criteria's and evaluate the accuracy, veracity and consistency of the information given in the SOCIALCARBON® Report and the application of the Standard of the Argibem, São Sebastião and Vulcão Ceramics Fuel Switching Project - Vulcão Ceramic Report based on Estrada Campo Alegre, 200 B. Nanci – Queimados, RJ – Postal Code: 26.317-180, Brazil.

As one of the audit objectives, IBOPE aims to obtain verifiable evidences, preferred tangible or physical evidences. However, it is acceptable evidence based on testimony.¹

3. VERIFICATION METHODS

3.1. Scope and Criteria

The criteria defined for this verification are disposed at the SOCIALCARBON® Standard, Version 4.2, June 2011² document.

3.2. Verification Procedure

The verification process occurs according with the following schedule:

- I. Audit planning and team selection, document review, and check-list elaboration;
- II. On site visit and data/evidence collection;
- III. Evidences evaluation and draft elaboration;
- IV. Resolution of findings and final verification report issuance;

I. Audit planning and team selection, document review, and check-list elaboration

According to the SOCIALCARBON® Report submitted for verification, IBOPE will send to the client a work plan and information regarding the team that will be responsible for the SOCIALCARBON® Report auditing. The documentation is analyzed and reviewed, and then the check-list is prepared for the collection of the data and evidences necessary at the on-site visit.

¹ This verification does not have the purpose to evaluate the compliance of legal or fiscal conformity, unless such information is required by the verification criteria. Verification is limited to written/required information by the SOCIALCARBON® Standard criteria.

² Disposable at: (http://www.socialcarbon.org/uploadDocs/SOCIALCARBON_STANDARD_v.4.2.pdf)

II. On-site visit, and data/evidence collection

At the on-site visit, it will be realized data and evidences' collection.

The data and evidence's collection methods are based on completing the check-list and the search of the possible evidences necessities to prove the facts at the SOCIALCARBON® Report, which can be documents, photos, and interviews, preferred physical evidences.

III. Evidences evaluation and draft elaboration

The collected evidences and data are analyzed for the verification of the SOCIALCARBON® Report regarding to the veracity, accuracy and consistency of the attestations made.

The Draft Verification is issued with all the findings raised by the verification process and then is sent to the project proponent. The findings at the Draft Verification are defined as:

Correction Action Request (CAR) – It shall be raised if one of the following occurs:

- The SOCIALCARBON® Standard requirements have not been met;
- Mistaken have been made in assumptions or evaluations or documentation which directly influence the project indicators and/or results.

Clarification Request (CL) – It shall be raised if information is insufficient or not clear enough to determine whether the applicable SOCIALCARBON® Standard requirements have been met.

IV. Resolution of findings and final verification report issuance

After the resolution of the findings of Cerâmica Vulcão LTDA, the Final Verification Report is issued by IBOPE and the services are concluded.

4. SOCIALCARBON® STANDARD CRITERIA VERIFICATION

This section shows the ways to prove the compliance with the SOCIALCARBON® Standard criteria.

4.1. Standard Criteria

SOCIALCARBON® Standard requires the following criteria for certifying carbon offset projects:

- I. Offset Project Eligibility;
- II. Use of SOCIALCARBON methodology;
- III. Monitoring;
- IV. Continual improvement of Project performance;
- V. Independent auditing conducted through SOCIALCARBON Reports by a Certifying Entity;

I. Offset Project Eligibility

The Cerâmica Vulcão LTDA complies with the following carbon accounting: Verified Carbon Standard (VCS). The project is located at Estrada Campo Alegre, 200 B. Nanci - Queimados, RJ - Postal Code: 26.317-180, Brazil. Its crediting period covers from 04/01/2006 to 03/31/2016 and the project was already validated by a third independent party. It's a small scale project and the methodology used is Category AMS-I.C: Thermal energy for the user with or without electricity - Version 13 from March 14th 2008..

II. Use of SOCIALCARBON® methodology

Sustainable Carbon - Projetos Ambientais Ltda. is the approved organization responsible for the SOCIALCARBON® Methodology application.

The resources evaluated by Sustainable Carbon - Projetos Ambientais Ltda. in this report were Social, Human, Financial, Natural, Technology and Carbon. All the indicators used in each resource are authorized by *Instituto Ecológica*.

The indicators used are from SOCIALCARBON® Methodology Indicators for industries of the ceramic sector, Version 8.2, June 2011.

III. Monitoring

The Point 0 (zero) and Point 1 (one) were validated and indicate Sustainability Performance as Satisfactory. This report is related to 2 (two) and covers the periodical evaluation required by the criteria.

IV. Continuous improvement of project performance

The Argibem, São Sebastião and Vulcão Ceramics Fuel Switching Project - Vulcão Ceramic Report applied the SOCIALCARBON® Standard for the third time and presented a decrease in the following resources: Human and Carbon.

The following improvements and perspectives are being developed by Cerâmica Vulcão LTDA:

Indicator: 07. Social return of the project

Description: The ceramic wants to develop a plan to increase the social return of the project.

Actions: No action developed regard to this perspective.

Results: Not Accomplished

Indicator: 38. Emission Calculations & Monitoring

Description: The responsibility of the monitoring will be of the entrepreneur, and a full verification of the data will be done annually by a designated operational entity, accredited by the CDM EB

Actions: It was accomplished accordingly

Results: Accomplished

Indicator: 42. Stakeholders Involvement

Description: The ceramic owner expects the participation of stakeholders in the project and plan to send invitation letters for consultation. Organizations such as the national association within the ceramic sector (ANICER) are expected to be contacted

Actions: The ceramic send letters to ANICER, City Hall, and Environmental Secretary

Results: On going.

For this SOCIALCARBON Report 2 (two), the following perspective and improvement is being planned:

- Carbon resource: Involvement of the Stakeholders - Install a banner in the front of the ceramic with information of the project activity.

The Argibem, São Sebastião and Vulcão Ceramics Fuel Switching Project - Vulcão Ceramic Report has already commercialized part of its carbon credits.

V. Independent auditing conducted through SOCIALCARBON® Reports by a Certifying Entity

The responsible to verify the SOCIALCARBON® Report from Argibem, São Sebastião and Vulcão Ceramics Fuel Switching Project - Vulcão Ceramic Report is IBOPE, an accredited organization authorized by *Instituto Ecológica* and the requirements and criteria are based on the SOCIALCARBON® Standard.

The on-site visit was held from 08/19/2011 to 08/19/2011 and it was necessary to collect data and evidences.

4.2. Indicators

1. TURNOVER

The turnover can be obtained by the fraction of the average dismissal numbers, and the employees working at the project developer in a given moment. $TR = (\text{dismissed workers} + \text{hired workers}) / (\text{number of workers employed in the project develop} \times 2)$.

Evaluation	Indicator's data verified and confirmed through the following documents: <i>Relação anual de informações sociais (RAIS)</i> - Annual relation of social information and <i>Cadastro geral de empregados e desempregados (CAGED)</i> - Employed and unemployed general registry.
Index	Grade 3 (three)

2. SYNDICAL RELATIONS

Evaluates the involvement of the entrepreneur and the workers in the syndicate.

Evaluation	Indicator's data verified and confirmed through the following documents: Statemen, syndical accordance and on-site interview.
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Index	Grade 3 (three)
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3. BENEFITS

Evaluate the benefits offered by the entrepreneur to the workers in addition to the obligatory benefits.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview. On-site photos. Bulding material invoices.
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Index	Grade 6 (six)
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4. SOCIAL INCLUSION

Evaluates the existence of effective programs giving priorities for hiring local manpower and social inclusion, without any prejudice against gender, handicaps, or other minority groups.

Evaluation	Indicator's data verified and confirmed through the following documents: <i>Relação anual de informações sociais (RAIS) - Annual relation of social information and Cadastro geral de empregados e desempregados (CAGED) - Employed and unemployed general registry. On-site visit and interview.</i>
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Index	Grade 4 (four)
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5. SATISFACTION

Intends to identify the satisfaction of the employees as well as the demands related to the improvement of working conditions.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview
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Index	Grade 1 (one)
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6. RELATION WITH THE COMMUNITY

Evaluates the relationship among the entrepreneur and the community as well as his contribution in social events and activities.

Evaluation	Indicator's data verified and confirmed through the following documents: Donations receipts, internal registries, on-site visigt and interview
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Index	Grade 3 (three)
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7. SOCIAL BENEFITS

Evaluate the benefits reverted to the stakeholders, when they are measurable or evidenced.

Evaluation	Indicator's data verified and confirmed through the following
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	documents: On-site visit and interview
Index	Grade 3 (three)

8. SCHOLARSHIP

Evaluates the scholarship level of the employees and the contribution of the entrepreneur for the promotion of education among the workers.

Evaluation	Indicator's data verified and confirmed through the following documents: <i>Relação anual de informações sociais (RAIS)</i> - Annual relation of social information and <i>Cadastro geral de empregados e desempregados (CAGED)</i> - Employed and unemployed general registry.
Index	Grade 3 (three)

9. PROFESSIONAL QUALIFICATION

Evaluates the level of Professional qualification of the workers.

Evaluation	Indicator's data verified and confirmed through the following documents: Certificate and on-site interview
Index	Grade 3 (three)

10. BUILDING CAPACITY PLAN

Evaluates the initiatives of the enterprise in regard with capacitating plans and programs, including, if they exist, their approach, strategies, frequency and the satisfaction of the employees.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview.
Index	Grade 1 (one)

11. WORKING CONDITIONS

Evaluates the improvements in relation with environmental work condition to which the employees are submitted, considering salubrious, sanitary and ergonomic situations.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit, interview and photos
Index	Grade 3 (three)

12. IPE USE

Evaluates the workers and entrepreneur conduct regarding the equipments use and the security procedures.

Evaluation	Indicator's data verified and confirmed through the following documents: PPEs registry control and internal document
Index	Grade 3 (three)

13. ACTIONS OF HEALTH AND SECURITY

Evaluates the existence and performance of campaigns, leisure and goal and plans regarding to health and security.

Evaluation	Indicator's data verified and confirmed through the following documents: ASOs, PCMSO, PPRA.
Index	Grade 3 (three)

14. FINANCING

Evaluates the project developer's ability to obtain credit from financial institutions and the accomplishment of the commitments/deadlines assumed.

Evaluation	Indicator's data verified and confirmed through the following documents: Bill and payment proof.
Index	Grade 4 (four)

15. PRODUCTION

Evaluates the evolution of the production's capacity in the last year and the relation between this rise and the diversification of products or significant events that can affect the production.

Evaluation	Indicator's data verified and confirmed through the following documents: VCS Monitoring Report and on-site interview.
Index	Grade 5 (five)

16. EXPECTATIVE

Evaluates the existence of the entrepreneur's expectations concerning the business in the next few years.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site interview.
Index	Grade 4 (four)

17. RENEWABLE BIOMASS SUPPLY

Evaluates the availability and diversity of biomasses and suppliers, considering the guarantee of fuel supplying.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and biomasses purchase invoices.
Index	Grade 3 (three)

18. CARBON MARKET

Evaluates the situation of commercialization of the carbon credits' of the period, considering its chronological valorization.

Evaluation	Indicator's data verified and confirmed through the following documents: Statement.
Index	Grade 3 (three)

19. FINANCIAL PLANNING OF THE EMISSION REDUCTION PROJECT

Evaluates the existence of financial controlling for the project activity's implantation and operation.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview, bills and invoices control.
Index	Grade 2 (two)

20. SUSTAINABILITY PRINCIPLES

Evaluates the existence of specific policies and programs geared towards the enterprise sustainability and the applicability of the principles, values and objectives regarding sustainability.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview. Emissions Chimney Emissions Report.
Index	Grade 4 (four)

21. ENVIRONMENTAL MANAGEMENT

Evaluates the environmental management procedures adopted by the entrepreneur, including the organization and coordination of actions and documentation such as impacts identification, monitoring and emissions of periodic report as well as the existence of a regular certification.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site interview.
Index	Grade 1 (one)

22. ENVIRONMENTAL LEGISLATION

Evaluates the accordance of the project developer with environmental laws and norms, including agreements with public authorities, such as environmental licenses and requested authorizations for installation and occupation of your project developer.

Evaluation	Indicator's data verified and confirmed through the following documents: Operating license and on-site visit.
Index	Grade 5 (five)

23. LAWSUIT PROCEDURES

Evaluates if the entrepreneur was involved with any lawsuit or administrative sanctions executed by public organs, person or people, aiming the environment and human health

protection or repair.

Evaluation	Indicator's data verified and confirmed through the following documents: Statement.
Index	Grade 6 (six)

24. ENERGY

Evaluates the fuel applied to fire the ceramic devices, just as the origin and control of the biomass.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview. Biomass invoices.
Index	Grade 3 (three)

25. CLAY

Evaluates the conformity with the environmental laws for the exploitation of mineral clay and the existence of environmental control plan concerning the clay extraction.

Evaluation	Indicator's data verified and confirmed through the following documents: Operating license protocol, <i>Plano de Controle Ambiental (PCA)</i> - Environmental control plan and Relatório Annual de Lavras (RAL)
Index	Grade 3 (three)

26. WATER

Evaluate the origin of the water used in the productive process, besides the legal and sustainable aspects of its exploitation.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site interview.
Index	Grade 1 (one)

27. EMISSIONS TO THE ATMOSPHERE

Evaluates the control over the atmospheric emissions involving the gases emitted during the productive process, except the greenhouse gases.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview. Emissions Chimney Emissions Report.
Index	Grade 4 (four)

28. RESIDUES FROM THE PRODUCTIVE PROCESS

Evaluates the treatment and destination dispended to the industrial residues generated in the productive process, as well as the incorporation of external industries residues and existence of a residues management plan.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview. On-site photos.
Index	Grade 4 (four)

29. ASHES

Evaluates the procedures adopted by the entrepreneur in order to control the ashes and its destination.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site interview.
Index	Grade 3 (three)

30. KILNS BURNING EFFICIENCY

Evaluates the efficiency level and the kind of the kilns used to fire the devices in the ceramic productive process.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview. VCS Monitoring Report.
Index	Grade 5 (five)

31. DEVICES DRYING (BEFORE THE FIRE)

Evaluates the efficiency of the methods executed to dry the devices, stage before the fire and after the extrusion, the existence of artificial dryers (avoiding fissures in the final product) and also considers the employment of a system able transfer the heat provided by the kiln to the devices drying.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit, interview, and photos.
Index	Grade 4 (four)

32. DEVICES FIRING

Evaluates the existence and the automation of the fire monitoring system as well as the construction of the fire curve graphic.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview.
Index	Grade 4 (four)

33. KILNS ALIMENTATION

Evaluates the existence and the automation of the procedures used for the kilns alimentation.

Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit and interview.
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Index	Grade 1 (one)
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34. MACHINERY	
Evaluates the existence and conservation of machineries that helps the workers, seeking the reduction of risks and improvement of the productive process. The factors considered as in bad conditions of conservation are: leakage, excessive noise, loose or lack of components, among others.	
Evaluation	Indicator's data verified and confirmed through the following documents: On-site visit, interview and photos.
Index	Grade 5 (five)

35. PRODUCTS VARIETY	
Evaluates the products variety, the kind of products, including the existence of personalized products or with high value in the consumer market.	
Evaluation	Indicator's data verified and confirmed through the following documents: On-site interview.
Index	Grade 2 (two)

36. QUALITY CONTROL	
Evaluates the procedures adopted by the entrepreneur, during the productive process, aiming to ensure the quality of the devices. It also verifies the existence of a quality certification.	
Evaluation	Indicator's data verified and confirmed through the following documents: On-site interview and lab teste.
Index	Grade 3 (three)

37. ADDITIONALITY	
Evaluate if the reduced greenhouse gases emissions were additional.	
Evaluation	Indicator's data verified and confirmed through the following documents: VCS PD, VCS Final Validation Report and VCS Final Verification Report.
Index	Grade 5 (five)

38. EMISSIONS REDUCTIONS CALCULATION AND MONITORING	
Evaluates the methodologies used to calculate the emission reductions, the monitoring and if it is suitable to the national and international standard.	
Evaluation	Indicator's data verified and confirmed through the following documents: VCS PD, VCS MR and VCS Final Verification Report.
Index	Grade 6 (six)

39. VALIDATION AND VERIFICATION

Evaluates the existence of partial or total validation/verification of the project by a third part, and if it is accredited by UNFCCC, and if the validation and verification procedures are according to national and international standards.

Evaluation	Indicator's data verified and confirmed through the following documents:VCS Final Validation Report and VCS Final Verification Report.
Index	Grade 6 (six)

40. PROJECT PERFORMANCE

Evaluates the project performance in comparison to the emission reductions estimated in the Project Design Document.

Evaluation	Indicator's data verified and confirmed through the following documents:VCS PD, VCS MR and VCS Final Verification Report.
Index	Grade 5 (five)

41. INVOLVEMENT OF THE EMPLOYEES IN THE PROJECT

Evaluates the internal communication related to the emissions reduction project.

Evaluation	Indicator's data verified and confirmed through the following documents:On-site visit and interview.
Index	Grade 2 (two)

42. INVOLVEMENT OF THE STAKEHOLDERS

Evaluates the communication and acceptance of the project by the communities, environmental agency and public authorities among others social actors.

Evaluation	Indicator's data verified and confirmed through the following documents:On-site visit and interview.
Index	Grade 1 (one)

5. VERIFICATION STATEMENT

The SOCIALCARBON® Report of Argibem, São Sebastião and Vulcão Ceramics Fuel Switching Project - Vulcão Ceramic Report submitted for verification is in compliance with all SOCIALCARBON® Standard criteria as well as could be verified the accuracy, veracity and consistency of the data provided in the SOCIALCARBON® Report.

São Paulo, December 20th, 2011



Shiguelo Watanabe

Director

ANNEX

Non-Conformities

ITEM	1	CAR 1
REFERENCE	Section 1. Identifying the Project - Basic information	
CAR/CL	- Month version of the Indicators for the industries of the ceramic sector is wrong. Please correct. - The annual monitoring period of SCR reported is 2011, however the months reported include 2010 and 2011 years. Please include also 2010 and specify the beginning and final days of the monitoring period.	
ROUND	1 st	
CLIENT ANSWER	Ok, it was corrected.	
REVISED SECTION	Section 1. Identifying the Project - Basic information	
CONCLUSION	Ok, it was correct accordingly. CAR closed.	

ITEM	2	CL 1
REFERENCE	2.1. Context and history of the reduction of GHG emissions project	
CAR/CL	No evidence received related to the context and history of the reduction of GHG emissions project. Please provide the following documents: - <i>Modelo para introdução de Novas Tecnologias em Agrupamentos de Micro e Pequenas Empresas: Estudo de caso das indústrias da cerâmica vermelha do Vale dos Tijucas</i> - <i>Diagnóstico Empresarial do Setor Cerâmico da Região Central do Estado do Tocantins.</i> - <i>Industries trends in the Baixada Fluminense and its impact on the labor.</i> - <i>Diagnóstico das Condições Sócio-Econômicas e da Gestão Pública dos Municípios da Baixada Fluminense</i> Please clarify.	
ROUND	1 st	
CLIENT ANSWER	Ok, it was corrected.	
REVISED SECTION	2.1. Context and history of the reduction of GHG emissions project	

CONCLUSION	OK, reference included. CL closed.
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ITEM	3	CL 2
REFERENCE	2.1.	Context and history of the reduction of GHG emissions project
CAR/CL		No reference used for the description of the "History of the Region". Please Clarify.
ROUND		1 st
CLIENT ANSWER		The text was removed, and it was included another with reference.
REVISED SECTION	2.1.	Context and history of the reduction of GHG emissions project
CONCLUSION		Ok, the text was modified and referenced accordingly. CL closed.

ITEM	4	CAR 2
REFERENCE	2.1.	Context and history of the reduction of GHG emissions project
CAR/CL		The SCR refers to Vulcão project, therefore the following title shall be revised "Characteristics of the Guaraí ceramic Fuel Switching Project". Please correct.
ROUND		1 st
CLIENT ANSWER		Ok, it was corrected.
REVISED SECTION	2.1.	Context and history of the reduction of GHG emissions project
CONCLUSION		Ok, it was correct accordingly. CAR closed.

ITEM	5	CL 3
REFERENCE	2.1.	Context and history of the reduction of GHG emissions project
CAR/CL		According to SEBRAE's criterion related to employees' number, Vulcão ceramic is considered a medium company, as it has 118 employees. Please clarify.
ROUND		1 st
CLIENT ANSWER		The sentence with the word small was removed from the report.

REVISED SECTION	2.1. Context and history of the reduction of GHG emissions project
CONCLUSION	OK, the sentence was removed. CL closed.

ITEM 6	CAR 3
REFERENCE	2.1. Context and history of the reduction of GHG emissions project
CAR/CL	The States "In 2010, the ceramic produced approximately 1,447,000 ceramic units per month." It's not in accordance with the VCS MR of the period. The production founded was approximately 1,275,000 ceramics units per month. Please Correct.
ROUND	1 st
CLIENT ANSWER	Ok, it was corrected.
REVISED SECTION	2.1. Context and history of the reduction of GHG emissions project
CONCLUSION	Ok, it was corrected accordingly. CAR closed.

ITEM 7	CAR 4
REFERENCE	3.2. Social, economic and environmental impacts of the emission reductions project
CAR/CL	The SCR states <i>...are described at the Project Design Document</i> . According to the Verified Carbon Standard (VCS), it shall be denominated as Project Description. Please correct.
ROUND	1 st
CLIENT ANSWER	Ok, it was corrected.
REVISED SECTION	3.2. Social, economic and environmental impacts of the emission reductions project
CONCLUSION	Ok, it was corrected accordingly. CAR closed.

ITEM 8	CAR 5
REFERENCE	Section 4. Results – Indicator 1. Turnover
CAR/CL	According to the evidences provided, the numbers for turnover are: - Total number of workers: 118

	- Hired workers in the period: 53 - Dismissed workers in the period: 52 Resulting in 44%. Please revise this indicator and correct.
ROUND	1 st
CLIENT ANSWER	Ok, it was corrected.
REVISED SECTION	Section 4. Results – Indicator 1. Turnover; Section 5.1 General performance: Table 1 – Sustainability Performance of Vulcão Ceramic – Point Two; Section 5.3 Historic performance and comparative analyses: Figure 2: Sustainability Analysis of Vulcão Ceramic – Point Zero to Point 02; Annex 1 – Results Sheet related to the period of 2010-2011.
CONCLUSION	Ok, it was corrected accordingly. CAR closed.

ITEM	9	CL 4
REFERENCE		Section 4. Results – Indicator 1. Turnover
CAR/CL		There is no reference and/or evidence to prove this statement “Most producers in the Brazilian ceramic industry have turnover indexes above 80%, Vulcão’s is below the industry average”. Please clarify and provide evidence or remove this information.
ROUND		1 st
CLIENT ANSWER		The information was removed.
REVISED SECTION		Section 4. Results – Indicator 1. Turnover
CONCLUSION		Ok, the sentence was removed. CL closed.

ITEM	10	CAR 6
REFERENCE		Section 4. Results – Indicator 2. Syndical relations
CAR/CL		The monthly contribution to the Workers Union does not demonstrate a significant participation. Please revise the indicator. Through these evidences, index should be 2 (two).
ROUND		1 st
CLIENT ANSWER		Ok, it was corrected and new evidence will be sent to the validation team.

REVISED SECTION	Section 4. Results – Indicator 2. Syndical relations; Section 5.1 General performance: Table 1 – Sustainability Performance of Vulcão Ceramic – Point Two; Section 5.3 Historic performance and comparative analyses: Figure 2: Sustainability Analysis of Vulcão Ceramic – Point Zero to Point 02; Annex 1 – Results Sheet related to the period of 2010-2011.
CONCLUSION	Ok, evidence received and accepted. Index 3 (three) accepted. CAR closed

ITEM	11	CAR 7
REFERENCE		Section 4. Results – Indicator 3. Benefits
CAR/CL		According to interview during the site visit the following benefit is not provided. Please remove it. - Housing to employees when needed
ROUND		1 st
CLIENT ANSWER		Ok, it was corrected.
REVISED SECTION		Section 4. Results – Indicator 3. Benefits
CONCLUSION		Ok, the item was removed. CAR closed.

ITEM	12	CAR 8
REFERENCE		Section 4. Results – Indicator 7. Social benefits
CAR/CL		The period from the partnership with a Federal University was over. Please revise the indicator.
ROUND		1 st
CLIENT ANSWER		The indicator was revised.
REVISED SECTION		Section 4. Results – Indicator 7. Social benefits
CONCLUSION		OK, it was corrected accordingly. CAR closed.

ITEM	13	CAR 9
REFERENCE		Section 4. Results – Indicator 9. Professional qualification
CAR/CL		No evidence provided for the employee: “Maria Natália S. Chagas: Accounting course”; Please remove it.

ROUND	1 st
CLIENT ANSWER	Ok, it was removed.
REVISED SECTION	Section 4. Results – Indicator 9. Professional qualification
CONCLUSION	Ok, it was removed. CAR closed.

ITEM	14	CAR 10
REFERENCE		Section 4. Results – Indicator 10. Building capacity plan
CAR/CL		The course "Accidents Prevention in Work" is an obligatory course for CIPA members. Please revise the indicator and the index.
ROUND		1 st
CLIENT ANSWER		Ok, it was corrected.
REVISED SECTION		Section 4. Results – Indicator 10. Building capacity plan; Section 5.1 General performance: Table 1 – Sustainability Performance of Vulcão Ceramic – Point Two; Section 5.3 Historic performance and comparative analyses: Figure 2: Sustainability Analysis of Vulcão Ceramic – Point Zero to Point 02; Annex 1 – Results Sheet related to the period of 2010-2011.
CONCLUSION		Ok, it was correct accordingly. CAR closed.

ITEM	15	CAR 11
REFERENCE		Section 4. Results – Indicator 11. Working conditions
CAR/CL		The food staple, dental care, and the uniforms are not regarded to this indicator. Please exlude it.
ROUND		1 st
CLIENT ANSWER		Ok, it was corrected.
REVISED SECTION		Section 4. Results – Indicator 11. Working conditions
CONCLUSION		Ok, the item was removed accordingly. CAR closed.

ITEM	16	CL 5
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REFERENCE	Section 4. Results – Indicator 15. Production
CAR/CL	Please provide the evidence of the Final VCS Monitoring Report of the period.
ROUND	1 st
CLIENT ANSWER	Ok, it will be sent to the validation team.
REVISED SECTION	Section 4. Results – Indicator 15. Production
CONCLUSION	Ok, evidences received. CL closed.

ITEM 17	CL 6
REFERENCE	Section 4. Results – Indicator 17. Renewable biomass supply
CAR/CL	The sum of the percentage is not 100%. Please clarify. Since it is not possible to evidence the biomass use percentage, please exclude this information.
ROUND	1 st
CLIENT ANSWER	Ok, the information was excluded.
REVISED SECTION	Section 4. Results – Indicator 17. Renewable biomass supply
CONCLUSION	Ok, it was corrected accordingly. CL closed.

ITEM 18	CAR 12
REFERENCE	Section 4. Results – Indicator 18. Carbon market
CAR/CL	According to SOCIALCARBON Standard clarification, it is the last period that shall be analyzed in this indicator. Please correct the indicator according to the last period and provide the evidences, including its price and quantity.
ROUND	1 st
CLIENT ANSWER	The indicator was corrected and new evidence will be sent to the validation team.
REVISED SECTION	Section 4. Results – Indicator 18. Carbon market; Section 5.1 General performance: Table 1 – Sustainability Performance of Vulcão Ceramic – Point Two; Section 5.3 Historic performance and comparative analyses: Figure 2: Sustainability Analysis of Vulcão Ceramic – Point Zero to Point 02; Annex 1 – Results Sheet related to

	the period of 2010-2011.
CONCLUSION	Ok, it was corrected accordingly. CAR closed.

ITEM	19	CL 7
REFERENCE	Section 4. Results – Indicator 22. Environmental legislation	
CAR/CL	No information or evidence provided about the constraints and deadline sets. Please clarify.	
ROUND	1 st	
CLIENT ANSWER	The Protocol renewal was required 120 days before the expiration date (evidence will be sent to the validation team). In addition, through the CONAMA Resolution nº237/97, the qualified Environmental Agency can modify the constraints and measures of control and adequacy. Moreover, they shall suspend or cancel an issued license if there is a violation of any constraints and norms in the environmental license. In this context, it is possible to confirm that Vulcão ceramic has an environmental license according to the constraints and deadline sets.	
REVISED SECTION	Section 4. Results – Indicator 22. Environmental legislation Ok, clarification of CONAMA Resolution nº 237/97 accepted, according to the references : http://www.mma.gov.br/port/conama/legiano.cfm?codlegitipo=3 http://www.mma.gov.br/port/conama/legiano1.cfm?codlegitipo=3&ano=1997	
CONCLUSION	Evidences accepted. CL closed	

ITEM	20	CAR 13
REFERENCE	Section 4. Results – Indicator 24. Energy	
CAR/CL	According to the VCS PD and VCS MR, Vulcão Ceramic implemented a total substitution from “heavy oil”, and not from “native wood”. Please correct.	
ROUND	1 st	
CLIENT ANSWER	Ok, it was corrected.	
REVISED SECTION	Section 4. Results – Indicator 24. Energy	
CONCLUSION	Ok, it was corrected accordingly. CAR closed.	

ITEM	21	CAR 14
REFERENCE		Section 4. Results – Indicator 27. Emissions to the atmosphere
CAR/CL		According to the interview during the site visit, the ceramic does not presents an equipment to reduce the gases emissions to the atmosphere. Please correct the comments and revise the index.
ROUND		1 st
CLIENT ANSWER		The indicator was revised.
REVISED SECTION		Section 4. Results – Indicator 27. Emissions to the atmosphere; Section 5.1 General performance: Table 1 – Sustainability Performance of Vulcão Ceramic – Point Two; Section 5.3 Historic performance and comparative analyses: Figure 2: Sustainability Analysis of Vulcão Ceramic – Point Zero to Point 02; Annex 1 – Results Sheet related to the period of 2010-2011.
CONCLUSION		Ok, it was corrected accordingly. CAR closed.

ITEM	22	CAR 15
REFERENCE		Section 4. Results – Indicator 30. Kilns burning efficiency
CAR/CL		According to the comments and the evidence provided, index 5 (five) should be applied. Please correct.
ROUND		1 st
CLIENT ANSWER		Ok, it was corrected.
REVISED SECTION		Section 4. Results – Indicator 30. Kilns burning efficiency; Section 5.1 General performance: Table 1 – Sustainability Performance of Vulcão Ceramic – Point Two; Section 5.3 Historic performance and comparative analyses: Figure 2: Sustainability Analysis of Vulcão Ceramic – Point Zero to Point 02; Annex 1 – Results Sheet related to the period of 2010-2011.
CONCLUSION		OK, it was corrected accordingly. CAR closed.

ITEM	23	CAR 16
REFERENCE		Section 4. Results – Indicator 31. Devices drying (before the fire)

CAR/CL	According to the comments and evidences provided, index 4 (four) should be applied. Please correct.
ROUND	1 st
CLIENT ANSWER	Ok, it was corrected.
REVISED SECTION	Section 4. Results – Indicator 31. Devices drying (before the fire); Section 5.1 General performance: Table 1 – Sustainability Performance of Vulcão Ceramic – Point Two; Section 5.3 Historic performance and comparative analyses: Figure 2: Sustainability Analysis of Vulcão Ceramic – Point Zero to Point 02; Annex 1 – Results Sheet related to the period of 2010-2011.
CONCLUSION	Ok, it was corrected accordingly. CAR closed.

ITEM	24	CAR 17
REFERENCE		Section 4. Results – Indicator 36. Quality control
CAR/CL		According to the comments and evidences provided, index 3 (three) should be applied. Please correct.
ROUND		1 st
CLIENT ANSWER		Ok, it was corrected.
REVISED SECTION		Section 4. Results – Indicator 36. Quality control; Section 5.1 General performance: Table 1 – Sustainability Performance of Vulcão Ceramic – Point Two; Section 5.3 Historic performance and comparative analyses: Figure 2: Sustainability Analysis of Vulcão Ceramic – Point Zero to Point 02; Annex 1 – Results Sheet related to the period of 2010-2011.
CONCLUSION		Ok, it was corrected accordingly. CAR closed.

ITEM	25	CL 8
REFERENCE		Section 4. Results – Indicator 37. Additionality
CAR/CL		In the comments field is mentioned about section 2.5 of VCS. What VCS document? Please clarify.
ROUND		1 st
CLIENT ANSWER		Ok, it was corrected.
REVISED SECTION		Section 4. Results – Indicator 37. Additionality

CONCLUSION	Ok, it was clarified. CL closed.
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ITEM	26	CAR 18
REFERENCE		Sector 4 – Indicator 38. Emissions Reductions Calculation and Monitoring
CAR/CL		The term Project Design Document is used for CDM projects. Please correct. Please input the reference of the document in the sentence: <i>"There are more information and specifications regarding the calculations of the emission reductions in the Project Design Document – PDD, and the DOE Validation Report."</i>
ROUND		1 st
CLIENT ANSWER		Ok, it was corrected.
REVISED SECTION		Sector 4 – Indicator 38. Emissions Reductions Calculation and Monitoring
CONCLUSION		Ok, it was corrected accordingly. CAR closed.

ITEM	27	CAR 19
REFERENCE		Section 4. Results – Indicator 39. Validation and verification
CAR/CL		VCS Final Validation and Verification Report were not provided yet. Please clarify.
ROUND		1 st
CLIENT ANSWER		Ok, it will be sent to the validation team.
REVISED SECTION		Section 4. Results – Indicator 39. Validation and verification
CONCLUSION		Ok, evidences received. CAR closed.

ITEM	28	CAR 20
REFERENCE		Section 4. Results – Indicator 40. Project performance
CAR/CL		VCS Final Monitoring and Verification Report were not provided yet. Please clarify.
ROUND		1 st

CLIENT ANSWER	Ok, it will be sent to the validation team.
REVISED SECTION	Section 4. Results – Indicator 40. Project performance
CONCLUSION	Ok, evidences received. CAR closed.

ITEM	29	CAR 21
REFERENCE	Section 5.1 – General performance; Section 5.2 – Performance by resource; Section 5.3 – Historic performance and comparative analysis; Annex – Excel Spreadsheet	
CAR/CL	These sections shall be updated according to the new analysis and indexes. Please correct.	
ROUND	1 st	
CLIENT ANSWER	Ok, it was updated.	
REVISED SECTION	Section 5.1 – General performance; Section 5.2 – Performance by resource; Section 5.3 – Historic performance and comparative analysis; Annex – Excel Spreadsheet	
CONCLUSION	Ok, it was corrected accordingly. CAR closed.	

ITEM	30	CAR 22
REFERENCE	Section 6. Perspectives	
CAR/CL	According to the interview during the site visit, the ceramic pretends to install a banner and not an outdoor with information of the project activity. Please correct.	
ROUND	1 st	
CLIENT ANSWER	Ok, it was corrected.	
REVISED SECTION	Section 6. Perspectives	
CONCLUSION	Ok, it was corrected accordingly. CAR closed.	

References

REFERENCE	DOCUMENTS	VERSION	ISSUANCE DATE
SC S	SOCIALCARBON Standard	4.2	June 2011

SCM IICS	SOCIALCARBON Standard Indicators for industries of the ceramic sector	8.2	June 2011
SCRT	SOCIALCARBON Report Template	3.2	April 2011
SC G	Guide for completing SOCIALCARBON® Reports	3.1	September 2010
SCR 1	SOCIALCARBON Report Point 1	-	February 2 nd , 2010
SCR 2	SOCIALCARBON Report Point 2	-	December 16 th , 2011
SC FVERR 1	SOCIALCARBON Final Verification Report Point 1	-	April 5 th , 2011
VCS PD	Argibem, São Sebastião and Vulcão Ceramics Fuel Switching Project	3.0	May 15 th , 2009
FValR	Final Validation Report	-	May 22 nd , 2009
MR 3	Monitoring Report	3.0	November 09 th , 2011
FVerR 3	Final Verification Report	2.0	December 08 th , 2011