

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

***Hancock Forest Management NZ Ltd***  
*Rotorua, New Zealand*

**SCS-FM/COC-00066P**

2 Devonport Road, Tauranga, 3141, New Zealand  
Kerry Ellem, General Manager  
[www.hnrg.com](http://www.hnrg.com)

CERTIFIED	EXPIRATION
25 February 14	24 February 19

DATE OF FIELD AUDIT
13-16 November 2017
DATE OF LAST UPDATE
28 February 2018

SCS Contact:  
**Brendan Grady** | Director  
Forest Management Certification  
+1.510.452.8000  
[bgrady@scsglobalservices.com](mailto:bgrady@scsglobalservices.com)

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2000 Powell Street, Ste. 600, Emeryville, CA 94608 USA  
+1.510.452.8000 main | +1.510.452.8001 fax  
[www.SCSglobalServices.com](http://www.SCSglobalServices.com)

## Foreword

Cycle in annual surveillance audits				
<input type="checkbox"/> 1 <sup>st</sup> annual audit	<input type="checkbox"/> 2 <sup>nd</sup> annual audit	<input type="checkbox"/> 3 <sup>rd</sup> annual audit	<input checked="" type="checkbox"/> 4 <sup>th</sup> annual audit	<input type="checkbox"/> Other ( <i>expansion of scope, Major CAR audit, special audit, etc.</i> ):
Name of Forest Management Enterprise (FME) and abbreviation used in this report:				
Hancock Forest Management NZ Ltd (HFM)				

All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing conformance with the requirements and standards of certification. A public summary of the initial evaluation is available on the FSC Certificate Database <http://info.fsc.org/>.

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

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

### Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the FSC Certificate Database (<http://info.fsc.org/>) no less than 90 days after completion of the on-site audit. Section B contains more detailed results and information for the use by the FME.

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## SECTION A – PUBLIC SUMMARY

### 1. General Information

#### 1.1 Annual Audit Team

<b>Auditor Name:</b>	Graeme Lea	<b>Auditor role:</b>	Lead Auditor
<b>Qualifications:</b>	Graeme is a Lead Auditor for FSC FM and a Senior Lead Auditor for CoC/CW and has 30 years' experience in forestry in New Zealand and Australia, is qualified as a Forest Service Woodsman and has been involved in many aspects of forestry, including establishment, silviculture, harvesting, sawmilling, processing, exporting and bio-security. Graeme gained a NZQA National certificate in Forest Product Inspection while working in New Zealand, and has been a qualified Quality Management auditor for approximately ten years. In addition Graeme has also undertaken ISO 14001 training. Graeme moved to Adelaide South Australia four years ago and since that time has taken part in Forest Management, Controlled Wood and Chain of Custody audits and assessments, but has also undertaken Controlled Wood auditing in Papua New Guinea, Vietnam, Cambodia and Thailand. Graeme has been part of more than fifty teams for Forest Management audits in both exotic and indigenous forests and has also carried out in excess of 100 Chain of Custody audits.		
<b>Auditor Name:</b>	Kimberly Robertson	<b>Auditor role:</b>	Lead Auditor
<b>Qualifications:</b>	Kimberly is an auditor for FSC FM and Senior Lead auditor for FSC CoC/CW. Kimberly has 18 years of experience in forestry in New Zealand. She has a Bachelor of Science in Ecology/Zoology and a Masters in Forestry Science. She has worked on environmental impacts of forestry and forest products including carbon sequestration, and across the supply chain from nursery to sawmilling. Kimberly is a qualified verifier for the Australasian EPD Programme and undertook ISO 14001 training in 2015. Kimberly has carried out 35CoC audits and been part of three FM audit teams since June 2015.		

#### 1.2 Total Time Spent on Evaluation

A. Number of days spent on-site assessing the applicant:	4
B. Number of auditors participating in on-site evaluation:	2
C. Additional days spent on preparation, stakeholder consultation, and post-site follow-up:	3.75
<b>D. Total number of person days used in evaluation:</b>	<b>11.75</b>

#### 1.3 Standards Employed

##### 1.3.1. Applicable FSC-Accredited Standards

Title	Version	Date of Finalization
National Standard for Certification of Plantation Forest Management in New Zealand	Version 5.7	27th September 2013
All standards employed are available on the websites of FSC International ( <a href="http://www.fsc.org">www.fsc.org</a> ), the FSC-US ( <a href="http://www.fscus.org">www.fscus.org</a> ) or the SCS Standards page ( <a href="http://www.scsglobalservices.com/certification-standards-and-program-">www.scsglobalservices.com/certification-standards-and-program-</a>		

[documents](#)). Standards are also available, upon request, from SCS Global Services ([www.SCSglobalServices.com](http://www.SCSglobalServices.com)).

### 1.3.2. SCS Interim FSC Standards

## 2 Annual Audit Dates and Activities

### 2.1 Annual Audit Itinerary and Activities

<b>Date: Monday 13<sup>th</sup> November 2017</b>	
<b>FMU / Location / sites visited</b>	<b>Activities / notes</b>
Hancock Forest Management Office Rotorua	<ul style="list-style-type: none"> <li>Opening Meeting: Introductions, client update, review audit scope, audit plan, intro/update to FSC and SCS standards and protocols, review of open CARs/OBS, final site selection.</li> <li>Staff interviews</li> <li>Documentation review</li> <li>Kimberly Robertson to East Coast Region Tuesday/Wednesday</li> <li>Graeme Lea to Central/King Country Tuesday/Wednesday</li> </ul>
<b>Date: Tuesday 14<sup>th</sup> November 2017</b>	
<b>FMU / Location / sites visited</b>	<b>Activities / notes</b>
Te Rongoroa Forest, Olsen 75 (King Country harvesting), Tamanhuka Road	<ul style="list-style-type: none"> <li>Site visit mechanized harvest operation. Interview harvesting contractor. Review of H&amp;S procedures and training, chemical management.</li> <li>Interview with roading machine operator. Review of H&amp;S system, communication with harvesting crew, relationship with HFM</li> </ul>
Te Rongoroa Forest, Olsen 39 (Progressive Harvesting)	<ul style="list-style-type: none"> <li>Inspect water spring below skid 4</li> <li>Review Pre-operational Risk Assessment dated 29/8/17</li> <li>Review Daily Breaking out Plan 16/11/17 and Daily Felling Plan 7/11/17</li> <li>Review manual felling plan, mechanized felling plan and Block assessment -Breaking out, Ground Based extraction, Slope management and Landings records.</li> </ul>
Waituhi Forest, Hammer Road Quarry	<ul style="list-style-type: none"> <li>Inspect minor erosion from side of quarry that had been replanted 2017</li> <li>Interview staff regarding HCV protections, monitoring and trapping in Waituhi (reported 70 mustelids trapped since October 2017)</li> </ul>
Waituhi Forest – Taringamotu Slip	<ul style="list-style-type: none"> <li>Visited a significant erosion event that occurred during Cyclone Cook in April 2017. This soil movement was considered a significant slope failure originating from a steep erodible slope that had been partially windthrown prior to harvest. The slope failed into a small tributary to the Taringamotu River just upstream of a culvert on an internal forest road. Once water pressure built up behind the slip it then collapsed and eroded the stream crossing and stream bed immediately downstream of the road for a distance of approximately 50 -75 metres.</li> </ul>

	<ul style="list-style-type: none"> <li>• The auditor also reviewed photos of the stream, taken after the land subsidence that showed no damage to the stream, and only moderate sized log jams that did actually impede the water flow. The stream flows 2.5 km to the forest boundary, then through a rocky gorge to a flood plain approximately 4k from the original land slip where the bulk of the logs were distributed.</li> <li>• The land owner actually farms on the affected floodplain informed HFM that he would clean up the floodplain and remove the logs for firewood.</li> <li>• The entire hillside had been harvested and replanted in 2016</li> <li>• Inspected by both HFM, Department of Conservation and Regional Council representatives, all agreed that while this was a significant event inside the forest there was no major river damage, and that HFM were not at fault. This was due simply to a “weather bomb” type rainfall event which only affected a localised area. Waituhi Forest does suffer from more soil erosion or soil movement than other forests managed by HFM however this incident appears to have been well managed by HFM. As a result of the incident HFM has initiated formal processes that all land rated as the highest erosion risk class under the new National Environmental Standard, must be reviewed for suitability prior to replant.</li> </ul>
Orete Forest - Stakeholder engagement	<ul style="list-style-type: none"> <li>• Interview with person who manages the road engineering in Orete rest and is also a landowner/Chairperson of the Houpoto Te Pua Trust.</li> </ul>
Orete Forest (HA 2569)	<ul style="list-style-type: none"> <li>• Site visit mechanized harvest operation. Interview harvesting contractor and Independent Contractor who undertakes onsite training and assesses crew for Competenz unit standards and faller and breaker out certification. Review of H&amp;S procedures and training, chemical management, RTE species.</li> </ul>
Orete Forest, Te Ranginui Wetland– HCVF 3.	<ul style="list-style-type: none"> <li>• Walk through of the area, review of management with HFM staff.</li> </ul>
Orete Forest 5/21 (ex HA 1838)	<ul style="list-style-type: none"> <li>• Newly planted area, review of planting plan and management with HFM staff.</li> </ul>
Orete Forest	<ul style="list-style-type: none"> <li>• Stakeholder engagement with landowner.</li> </ul>
<b>Date: Wednesday 15<sup>th</sup> November 2017</b>	
<b>FMU / Location / sites visited</b>	<b>Activities / notes</b>
Opotiki	<ul style="list-style-type: none"> <li>• Stakeholder engagement with Houpoto forest landowners.</li> <li>• Stakeholder engagement with regional council staff involved with Houpoto wetland (HCV)</li> </ul>
Tiaki Plantations, Tarawera forest, HA 4074	<ul style="list-style-type: none"> <li>• Site visit mechanized harvest operation. Interview harvesting contractor walkthrough of skid site.</li> </ul>
Tiaki Plantations, Tarawera forest, HA 4906	<ul style="list-style-type: none"> <li>• Site visit mechanized harvest operation. Interview harvesting contractor walkthrough of skid site.</li> </ul>
Kinleith Forest – Sinton 12	<ul style="list-style-type: none"> <li>• Interview Crew manager</li> <li>• Review Safety preoperational risk assessment dated 2/11/17</li> </ul>

	<ul style="list-style-type: none"> <li>Review change shot safety area assessment</li> <li>Review Safe retreat position meeting dated 15/11/17</li> <li>Review Threatened species ID guide</li> </ul>
Kinleith Forest - Totara Road	<ul style="list-style-type: none"> <li>Meet and interview crew supervisor</li> <li>Review the mechanized daily Felling plan</li> <li>Review Training Records for on-site training dated 9/6/15, 28/4/16, 25/9/17.</li> <li>Also reviewed induction training for one crew member dated 20/2/14</li> <li>Informed that no HCV is were identified for this harvest area</li> <li>Review the Threatened Species Guide ID</li> <li>Review log docket</li> </ul>
<b>Date: Thursday 16<sup>th</sup> November 2017</b>	
<b>FMU / Location / sites visited</b>	<b>Activities / notes</b>
Hancock Forest Management Offices, Rotorua 0900- 1400	<ul style="list-style-type: none"> <li>Final documentation review and staff interviews</li> <li>Auditors retire to consider audit findings</li> <li>Closing Meeting and Review of Findings, convene with relevant staff to summarize audit findings, potential nonconformities and next steps</li> </ul>
1500-1600	Auditors depart

## 2.2 Evaluation of Management Systems

SCS deploys interdisciplinary teams with expertise in forestry, social sciences, natural resource economics, and other relevant fields to assess an FME’s conformance to FSC standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of forest cover and harvest prescription types, observation of implementation of management plans and policies in the field, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant field observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section and/or in observations.

## 3. Changes in Management Practices

There were no significant changes in the management and/or harvesting methods that affect the FME’s conformance to the FSC standards and policies.

Significant changes occurred since the last evaluation that may affect the FME’s conformance to FSC standards and policies (*describe*):

HFM NZ manages some forest under one rotation Forestry Rights. In the past these areas were excised from the certificate where it was anticipated that they could be converted to farmland after harvest.

HFM NZ has made the decision to bring these areas under the certificate on the basis that:

- Under the current NZ standard criterion 6.10 makes it clear that the forest conversion restriction applies to native forest conversion only (not pine to pasture)
- Under the new IGI's and proposed NZ standard that will replace the current standard, criterion 6.9 refers to conversion of plantations 'on sites directly converted from native forest'.

## 4. Results of the Evaluation

### 4.1 Existing Corrective Action Requests and Observations

<b>Finding Number: 2016.01</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.1.1, 7.3.4
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): There is a general misunderstanding by stakeholders (Maori Trusts) in the King Country particularly in regards to local employment/contracting opportunities. In discussions with HFM it was apparent that opportunities are available, but the trusts are not aware of them.	
<b>Corrective Action Request</b> (or Observation): HFM should continue dialogue with landowner trusts in the King Country regarding opportunities for local employment/contracting, and could investigate alternative options for conveying information.	
<b>FME response</b> (including any evidence submitted)	Employment has been part of ongoing discussions with King Country landowners in the period since the 2016 audit. As a result of a 2017 re-tender of Distribution operations in Central Region, Green Transport were invited to take part and now have two trucks operating in Central Region operations. Josh Green the principle has affiliations to Maraeroa C Trust.
<b>SCS review</b>	Company attended AGM held by Te Rongoroa Trust on 11/11/17. Discussion with HFM as the forest manager (although meeting minutes not completed at the time of the audit) requesting names of people to assist with plantation establishment work. During the audit the auditors spoke with Josh Green (Marearoa C Trust member) and Damita Mita (Chairperson Te Rongoroa Trust), two of the organisations that raised the concern in 2016.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)



<b>Finding Number: 2016.02</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.2.4
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): HFM issues Safety Alert’s to staff and crews periodically. A recent Safety Alert reviewed at a harvesting site was not dated.	
<b>Corrective Action Request</b> (or Observation): HFM shall ensure Safety Alerts are all dated.	
<b>FME response</b> (including any evidence submitted)	The standard Safety Alert template had a date field but it had inadvertently been deleted from the template on one or two Safety Alerts just prior to the 2016 audit. As a result of this issue all Safety Alerts are now checked by the Tauranga Admin Coordinator prior to being sent out.
<b>SCS review</b>	Reviewed Safety Alerts from 2017 all dated. Also accepted that the dates had been accidentally removed from Safety Alerts during publishing - CLOSED.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2016.03</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.4.6
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): One of the Te Rongaroa neighbour’s was not aware of how issues raised pre-harvest had been dealt with, such as the installation of water controls and sediment traps around the nearby river, and also not aware of how long harvesting is to take. She also had some additional concerns not raised with HFM. SIA notes ongoing communication with affected parties is required, and with this neighbour in particular. Discussion with HFM staff showed that ongoing communication with the neighbour had occurred, but during the audit it was difficult to locate documentation on individual stakeholder meetings. Failure to record stakeholder consultation could lead to a non-conformity as follow-on actions may not be readily implemented or tracked.	
<b>Corrective Action Request</b> (or Observation): HFM should investigate options for recording stakeholder consultation.	

<b>FME response</b> <i>(including any evidence submitted)</i>	At the time of the 2016 audit day to day stakeholder communications were being recorded in a range of locations such as diary entries and file notes. As a result of this Observation HFM NZ has developed an App for recording stakeholder communications and storing them to centralised file which can then be accessed and searched by fields (date, name, forest etc).
<b>SCS review</b>	Reviewed stakeholder records with Te Rongoroa. Sadly, the stakeholder spoken of above as passed away, however the issues raised above have been discussed with the applicable trust.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2016.04</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	6.2.14
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): While the auditors verified the “Threatened Species Identification Guide” booklets at all sites visited during the audit, in one instance a crew member could not remember the booklet, and then when it was located, stated that he had not reviewed it for three years (and that this was with a previous employer).	
<b>Corrective Action Request</b> (or Observation): While the auditors found that this is an isolated incident, the Environmental System Audit Form used by Hancock should be reviewed and revised to ensure all crew members of each crew are aware of the booklet and have read it.	
<b>FME response</b> <i>(including any evidence submitted)</i>	<p>The particular person spoken to during the 2016 audit it turns out was relatively new to that crew. The Environmental Planners continue to raise the guide when talking with crews.</p> <p>The guide has recently been updated and reissued to all crews. Crew knowledge of the guide is now specifically being checked as part of biennial Environmental Systems Audits of crews.</p>
<b>SCS review</b>	The Threatened Species Identification Guide has been revised and was reviewed by the auditors
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2016:05</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	7.4.1 and 7.4.3
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): The forest management summary is available on request from HFM and hard copies are kept at the Rotorua office. However, there is no public notification that the summary document is available to the public. While stakeholders familiar with FSC likely understand that this can be made available, other stakeholders may not. If a sufficient number of stakeholders were unaware of the public summary's availability, this could have repercussions in HFM's social management system.	
<b>Corrective Action Request</b> (or Observation): HFM should provide an online copy of the Forest Management summary or provide public notification that the management summary is available and who to contact to access it.	
<b>FME response</b> (including any evidence submitted)	Following the audit the HFM NZ Public Summary document was loaded onto the HTRG website. At the time of the audit an HFM NZ specific website was in the final stages of being developed. This is now live at <a href="http://www.hfm.nz">www.hfm.nz</a> A copy of the public summary can be accessed from that website also.
<b>SCS review</b>	The HFM website was reviewed by the auditor who found that at the present time the HFM NZ Forest Management summary is available via the Hancock Natural Resources website and HFM NZ website.
<b>Status of CAR:</b>	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

## 4.2 New Corrective Action Requests and Observations

<b>Finding Number: 2017:1</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	3.3.2

<b>Non-Conformity</b> <i>(or Background/ Justification in the case of Observations):</i>	
One landowner noted that an area that they had requested to be protected (an area of glowworms on a damp bank under pines) had been impacted by harvesting. The area had not been mapped as it has no formal protection. It was raised by the landowners prior to harvest with a request that the area be protected, however there was a misunderstanding between the HFM Environmental Planner and the landowner as to the actual location of the glow worms, which meant the wrong area was protected. The error was not found until after harvest had been completed. HFM is in conformance with FSC requirements for procedures and policies and had implemented them correctly. There were no other similar incidents in this or prior year audits. The issue was also not a result of system failure so much as a misunderstanding on the exact location. For these reasons the finding is graded as an Observation rather than a Minor CAR. Although HFM is in conformance, this observation serves as a note in case a similar event occurs and identifying a potential improvement that could be strengthened by further action on the part of HFM.	
<b>Corrective Action Request</b> <i>(or Observation):</i>	
HFM communicates and confirms with tangata whenua the location of any sites of significance to be included in management plans.	
<b>FME response</b> <i>(including any evidence submitted)</i>	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision <i>(refer to description above)</i>

<b>Finding Number: 2017:2</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	4.2.5
<b>Non-Conformity</b> <i>(or Background/ Justification in the case of Observations):</i>	
During the site visit to Fast 75, there was discussion over the correct radio channel to use. It was explained there was significant congestion on channel 69, Fast 75 had worked with the Forest Supervisor and arranged to use an alternative channel (68 instead of 69), however the Safety Notice Board for the harvest area only had the channel (68) written on a piece of pine. As this could become a safety issue HFM should ensure the correct channels are shown on the Safety boards.	
<b>Corrective Action Request</b> <i>(or Observation):</i>	
HFM must ensure the correct radio channels are shown on the Safety boards	
<b>FME response</b> <i>(including any evidence submitted)</i>	
<b>SCS review</b>	

<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>
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<b>Finding Number: 2017:3</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	8.2.7 L
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): During the audit process, auditors visited Te Rongoroa Forest reviewing harvesting practices and procedures. The auditor was made aware of challenges facing HFM in relation to public access to the bike trail that in places runs alongside harvest areas. The auditor noted that at the time of the audit discussions were ongoing between interested parties (Te Rongoroa Landowners and Dept of Conservation), and require resolution prior to harvesting activities taking place.	
<b>Corrective Action Request</b> (or Observation): HFM must ensure that environmental and social impacts of forest operations, including health and safety, are monitored and adjustments made as necessary including addressing impacts from recreational uses including bike trail access.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

<b>Finding Number: 2017:4</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	8.2.12

<b>Non-Conformity</b> (or Background/ Justification in the case of Observations):	
During the site visit to Progressive Harvesting 39 (compartment 2199), the auditor carried out a documentation review finding that Block Assessment documents (separate documents titled: GB Extraction, Breaking Out, Slope Management and Landings) were completed by the crew but the date field had not been filled out, basically making the forms unverifiable. A similar issue was seen at Sinton 12 in Kinleith Forest (although in this case the absence of a dates was due to an Excel spreadsheet error, but not corrected).	
<b>Corrective Action Request</b> (or Observation):	
HFM must ensure that Contractors' performance is monitored, including compliance with contract specifications and is to include review of daily records ensuring that all required details are completed of these for all required details.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

<b>Finding Number: 2017: 5</b>	
<b>Select one:</b> <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
<b>FMU CAR/OBS issued to</b> (when more than one FMU):	
<b>Deadline</b>	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<b>FSC Indicator:</b>	8.5.2
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations):	
The summary of monitoring results required by 8.2, but not considered confidential, (i.e. Yield of forest products, growth rates, flora and fauna composition changes, environmental and social impacts and other relevant elements) can be available upon request, but are not included in the current Forest Management Plan Summary.	
<b>Corrective Action Request</b> (or Observation):	
HFM must review the Summary of Monitoring and ensure that the required information (that which is not considered confidential) is publicly available.	
<b>FME response</b> (including any evidence submitted)	
<b>SCS review</b>	
<b>Status of CAR:</b>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

## 5. Stakeholder Comments

In accordance with SCS protocols, consultation with key stakeholders is an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. Distinct purposes of such consultation include:

- To solicit input from affected parties as to the strengths and weaknesses of the FME’s management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.
- To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests (HCVFs).

Principal stakeholder groups are identified based upon results from past evaluations, lists of stakeholders from the FME under evaluation, and additional stakeholder contacts from other sources (e.g., chair of the regional FSC working group). The following types of groups and individuals were determined to be principal stakeholders in this evaluation:

### 5.1 Stakeholder Groups Consulted

HFM Management and staff	Iwi members and/or representatives
Contractors	Forest industry groups and organizations
Regional Council	

Stakeholder consultation activities are organized to give participants the opportunity to provide comments according to general categories of interest based on the three FSC chambers, as well as the SCS Interim Standard, if one was used. The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

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

<input type="checkbox"/> <i>FME has not received any stakeholder comments from interested parties as a result of stakeholder outreach activities during this annual audit.</i>	
Stakeholder comments	SCS Response
<b>Economic concerns</b>	
None received	
<b>Social concerns</b>	
During two stakeholder meetings two different stakeholders commented that Houpoto Wetland (which is classified HCV3). Annual monitoring undertaken by staff of HFM, Landcare Research and	No non-conformity is warranted at this time. Although HFM is in conformity, this issue will be revisited during the next annual audit, after hunting has been resumed.

<p>Bay of Plenty Regional Council (11.04.17) identified that there is extensive pig tracks and rooting in the wetland, with no barrier to prevent feral animals from the wetland. Interview with landowners confirmed that due to the wishes of the landowners pigs have not been hunted in the forest for two years to increase numbers for future hunting and hunting of pigs is likely to resume within the next 6 months. The regional council feedback is that the pigs are not currently compromising the wetland but could if numbers continue to increase.</p>	<p>This will be examined again considering requirements of 3.2.1 relative to requirements that forest managers shall not threaten or diminish the resource and tenure rights of tangata whenua.</p>
<p>Several stakeholders commented that HFM have been proactive in relation to management of archeological sites and HCV in their estate and are also very approachable if there are any issues to be discussed.</p>	<p>The auditors confirmed during interviews with stakeholders throughout the audit process, that HFM encourages reporting and management of indigenous archeological sites and pursues best practices in relation to these sites and that HCV identification and management follows best practice.</p>
<p>One landowner noted that there was a lack of communication from HFM regarding a truck accident in the forest.</p>	<p>Interview with HFM staff confirmed that one member of the forest owner trust was informed about the accident verbally, but this was obviously not passed on. No written communication with landowners about the accident, as HFM as forest managers are not required to report this to landowners. No further action required by the auditors</p>
<p>A stakeholder commented on wishing to keep positive lines of communication open with landowner board, also complimentary on the positive and professional relationship with HFM. Great to see the General Manager at a board meeting. Also requested that HFM could keep in contact regarding the other forestry standard to which HFM is certified.</p>	<p>This was considered a positive stakeholder meeting, the stakeholder was representing one of the landowner groups. Discussions were broad and covered several topics. Observations support conformity, no further action needed in this case.</p>
<p>A stakeholder commented on the significant cooperation from HFM in the recognition and protections of sites of significance for a landowner group. The stakeholders are undertaking a process to record approximately 2500 recorded sites of significance (of which 90 to 95% are on private land or not under Maori control). Nine priority sites have been identified with HFM. Stakeholder reported the relationship with HFM is excellent and sometimes significantly better than other groups. The plan is to move as many of the priority sites to become Category A sites so that</p>	<p>This was considered a positive stakeholder meeting where the auditor was briefed on the very significant effort being carried out by this landowner group to identify and list sites of significance to the tribe. No further action required.</p>



Regional Council will then read register the site then implement protections for them.	
<b>Environmental concerns</b>	
None received	

## 6. Certification Decision

The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship Council standards. The SCS annual audit team recommends that the certificate be sustained, subject to subsequent annual audits and the FME’s response to any open CARs.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Comments:</b>	

## 7. Changes in Certification Scope

Any changes in the scope of the certification since the previous audit are highlighted in **yellow** in the tables below.

### Name and Contact Information

<b>Organization name</b>	Hancock Forest Management NZ Ltd		
<b>Contact person</b>	Kerry Ellem		
<b>Address</b>	Hancock Forest Management (NZ) Limited Unit 5, 120 Hamilton Street, Tauranga, New Zealand 3110 PO Box 13404, Tauranga, New Zealand 3141	<b>Telephone</b>	+64 7 571 7915
		<b>Fax</b>	+64 7 571 7920
		<b>e-mail</b>	kellem@hrng.com
		<b>Website</b>	Htrg.com

### FSC Sales Information

<input checked="" type="checkbox"/> FSC Sales contact information same as above.			
<b>FSC salesperson</b>			
<b>Address</b>		<b>Telephone</b>	
		<b>Fax</b>	
		<b>e-mail</b>	
		<b>Website</b>	

### Scope of Certificate

<b>Certificate Type</b>	<input checked="" type="checkbox"/> Single FMU	<input type="checkbox"/> Multiple FMU
	<input type="checkbox"/> Group	
<b>SLIMF (if applicable)</b>	<input type="checkbox"/> Small SLIMF certificate	<input type="checkbox"/> Low intensity SLIMF certificate
	<input type="checkbox"/> Group SLIMF certificate	

<b># Group Members (if applicable)</b>			
<b>Number of FMUs in scope of certificate</b>			
<b>Geographic location of non-SLIMF FMU(s)</b>		Latitude & Longitude: Latitude & Longitude: 38 degrees south, 176 degrees East	
<b>Forest zone</b>		<input type="checkbox"/> Boreal	<input checked="" type="checkbox"/> Temperate
		<input type="checkbox"/> Subtropical	<input type="checkbox"/> Tropical
<b>Total forest area in scope of certificate which is:</b>		Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac	
privately managed		198,192	
state managed		0	
community managed		0	
<b>Number of FMUs in scope that are:</b>			
less than 100 ha in area	0	100 - 1000 ha in area	0
1000 - 10 000 ha in area	0	more than 10 000 ha in area	1
<b>Total forest area in scope of certificate which is included in FMUs that:</b>		Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac	
are less than 100 ha in area		0	
are between 100 ha and 1000 ha in area		0	
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs		0	
<b>Division of FMUs into manageable units:</b>			
HFM divide the forest estate into three regions (Northern, Eastern and Central). Management is administered by regional offices.			

**Production Forests**

<b>Timber Forest Products</b>	Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac
Total area of production forest (i.e. forest from which timber may be harvested)	159,744
Area of production forest classified as 'plantation'	159,744
Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems	159,744
Area of production forest regenerated primarily by natural regeneration, or by a combination of natural regeneration and coppicing of the naturally regenerated stems	0
<b>Silvicultural system(s)</b>	<b>Area under type of management</b>
Even-aged management	0
Clearcut (clearcut size range 4-84 hectares)	159,744
Shelterwood	0
Other:	0
Uneven-aged management	0
Individual tree selection	0
Group selection	0
Other:	0

<input type="checkbox"/> Other (e.g. nursery, recreation area, windbreak, bamboo, silvo-pastoral system, agro-forestry system, etc.)	Significant areas of the plantation are open for recreational use (including commercial recreation operations). Some understory crops – most notably Ginseng in Maraeroa. Approx. 920 ha pasture (grazing leases), 1230ha utilities (powerline corridors etc.)
The sustainable rate of harvest (usually Annual Allowable Harvest or AAH where available) of commercial timber (m3 of round wood)	4.2 million m3
<b>Non-timber Forest Products (NTFPs)</b>	
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	26,955 ha
Other areas managed for NTFPs or services	As above areas are managed for non-timber products but in conjunction with the primary land use of plantation forestry.
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	The forests are used for a range of private commercial ventures such as recreation businesses, shooting movies, harvesting of punga ferns, firewood collection etc. However no non-timber forest products from the forests are sold as FSC certified.
<b>Explanation of the assumptions and reference to the data source upon which AAH and NTFP harvest rates estimates are based:</b>	
The optimum annual allowable harvest levels are based on a long term plan using the forest estate modelling package Woodstock, which calculates optimum harvest timing to maximize net revenue taking into account a range of attributes - tenure, terrain, land type, growth modelling, etc. (refer attached paper 'Derivation of Annual Allowable Harvest Levels').	
<b>Species in scope of joint FM/COC certificate: (<i>Scientific / Latin Name</i> and Common / Trade Name)</b>	
Species within the estate include: <ul style="list-style-type: none"> <li>• Pinus radiata</li> <li>• Pseudotsuga menziesii</li> <li>• Eucalyptus fastigata</li> <li>• Eucalyptus nitens</li> <li>• Eucalyptus regnans</li> </ul> Numerous small areas of minor species (Cupressus lusitanica, Pinus muricata, Cryptomeria japonica etc.)	

### FSC Product Classification

<b>Timber products</b>
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Product Level 1	Product Level 2	Species
W1	W1.1Sawlog and pulp logs	All
<b>Non-Timber Forest Products</b>		
Product Level 1	Product Level 2	Product Level 3 and Species

### Conservation Areas

<b>Total area</b> of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives:		26,995 ha	
<b>High Conservation Value Forest / Areas</b>			
<b>High Conservation Values present and respective areas:</b>		Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac	
Code	HCV Type	Description & Location	Area
HCV1	Forests or areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).	Cook Rd Forest, Whatoro Forest, Northland Confirmed by DOC as being part of an area with a nationally significant kiwi population, linking Trounson Park & Kaihu Forest Park.	316ha
		Houpoto Swamp, Houpoto Forest, Eastern Bay of Plenty. Large scale wetland, assessed by Bay of Plenty Regional Council as a site of national significance.	110ha
		Rawea wetland, Torere Forest, Eastern Bay of Plenty. High quality wetland assessed by Bay of Plenty Regional Council as a site of national significance.	65.4ha
HCV2	Forests or areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.		
HCV3	Forests or areas that are in or contain rare, threatened or endangered ecosystems.	Pokapoka Stream wetland, Waiomio Forest, Northland.	83.6ha

		<p>A large wetland assessed as nationally significant by DOC staff.</p> <p>Lake Rd Lake, Kinleith Forest, Waikato Region. One of few natural lakes in the Ecological District, assessed by Waikato Region as nationally significant.</p> <p>Kokota Dunes wetland Lake Morehurehu &amp; associated wetlands Lake Te Kahika All three of the above are located in Te Kao forest, Northland. All are dune lake and wetland associations, assessed by DOC as nationally significant.</p> <p>Te Ranginui wetland, Orete Forest. Kahikatea forest – nationally rare forest type.</p>	<p>25ha</p> <p>442ha</p> <p>97.1ha</p> <p>76.4ha</p> <p>5ha</p>
HCV4	Forests or areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).		
HCV5	Forests or areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		
HCV6	Forests or areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).	<p>Inland Rd Forest Rangitira Beach Dune Nga puketurua forest Hatumarama Biological Reserve Muriwai Forest All of the above 5 sites are located in Woodhill forest, Auckland Region. Assessed in consultation with tangata whenua, Ngati Whatua o Kaipara, as meeting criteria 6 due to cultural and biodiversity values.</p> <p>Pohaturoa, Kinleith Forest, Waikato Region.</p>	<p>196.5ha</p> <p>387.1ha</p> <p>114.7ha</p> <p>48.5ha</p> <p>27.7ha</p> <p>36ha</p>

		Very important cultural site for Ngati Raukawa, Te Arawa and Tuwharetoa.	
<b>Total Area of forest classified as 'High Conservation Value Forest / Area'</b>			2,031 ha

**Areas Outside of the Scope of Certification (Partial Certification and Excision)**

<input checked="" type="checkbox"/> N/A – All forestland owned or managed by the applicant is included in the scope.	
<input type="checkbox"/> Applicant owns and/or manages other FMUs not under evaluation.	
<input type="checkbox"/> Applicant wishes to excise portions of the FMU(s) under evaluation from the scope of certification.	
<b>Explanation for exclusion of FMUs and/or excision:</b>	
<b>Control measures to prevent mixing of certified and non-certified product (C8.3):</b>	N/A
<b>Description of FMUs excluded from, or forested area excised from, the scope of certification:</b>	
<b>Name of FMU or Stand</b>	<b>Location (city, state, country)</b>
	<b>Size (<input type="checkbox"/> ha or <input type="checkbox"/> ac)</b>

**8. Annual Data Update**

**8.1 Social Information**

<b>Number of forest workers (including contractors) working in forest within scope of certificate (differentiated by gender):</b>		
948 of male workers	85 of female workers	
<b>Number of accidents in forest work since last audit:</b>	<b>Serious:</b> 22 (LTI's and MTI's)	<b>Fatal:</b> Nil

**8.2 Annual Summary of Pesticide and Other Chemical Use**

<input type="checkbox"/> FME does not use pesticides.				
<b>Commercial name of pesticide / herbicide</b>	<b>Active ingredient</b>	<b>Quantity applied annually (kg or lbs)</b>	<b>Size of area treated during previous year</b>	<b>Reason for use</b>
Cloralid 300	Clopyralid	529kg	1747 ha	Post-plant weed control
Cloram	Clopyralid Picloram	155kg 103kg	783 ha	Pre-plant weed control

Glyphosate 510	Glyphosate	13646 kg	3665 ha	Pre-plant weed control
Haloxyfop	Haloxyfop	64 kg	399 ha	Post-plant weed control
Hexagran 750	Hexazinone	2280 kg	2084 ha	Post-plant weed control
Hexol	Hexazinone	404 kg	431 ha	Post-plant weed control
Meturon	Metsulfuron	598 kg	3665 ha	Pre-plant weed control
Terbutylazine 500	Terbutylazine	22410 kg	4075 ha	Post-plant weed control
Trichloram Brushkiller	Triclopyr Picloram	294 kg 98 kg	443 ha	Pre & post plant weed control
Valzine 500	Terbutylazine Hexazinone	69 kg 12 kg	62 ha	Post-plant weed control
Valzine Extra	Terbutylazine Hexazinone	8305 kg 1954 kg	1434 ha	Post-plant weed control
Velpar DF	Hexazinone	2847 kg	3641 ha	Post-plant weed control
Cuprous Oxide	Copper	15179 kg	17469 ha	Dothistroma control
Potassium Cyanide	Potassium Cyanide	8 kg	Full estate	Possum control

