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FSC Annual Surveillance of SmartWood for 2007

Forest Management Audit to Hancock Victorian Plantations Pty.
Limited, Victoria, Australia
(SW-FM/COC-1128)

Date of audit: 12-19 February 2007

(Public Summary)

	NAME	DATE
Report drafted by:	Guntars Laguns Gary Featherstone	February 2007/ 04 May 2007
Reviewed by ASI:	Achim Droste	27 March 2007
Reviewed by CB:	SW	06 June 2007
Finalized by ASI:	Guntars Laguns	07 December 2007
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1 Background

The operation audited by SW

Name of operation	Hancock Victorian Plantations Pty. Limited
Total area	247,117 ha
Type of management	Plantations and natural forests
Name of contact person	Mr. Malcom Tonkins
Address	3 rd Floor, 517 Flinders Lane, Melbourne, Victoria 3000
Country	Australia
Phone number	0061392891400
E-mail address	fsc@hvp.com.au

Brief description of the company

The Hancock Victorian Plantations Pty. Limited (HVP) is situated in Victoria, Australia, specializing in timber plantation management. The company manages around 240 thousands ha, which are all FSC certified. There are around 130 people employed by the company. More information about the company can be obtained from the company's website: <http://www.hvp.com.au> and from SW Public reports, available on SW website.

The certification history

Pre-audit	2000 (scoping visit)
Main audit:	September 2002, follow up audits in 2003
Date of certificate issue	01 February 2004
Follow up audit	16-18 June 2004
Date of 1st surveillance	08-20 March 2005
Data of 2nd surveillance	13-22 March 2006
Data of 3rd surveillance	12-19 February 2007 (this audit)

ASI Audit Details

Purpose of audit	Annual SW FM surveillance audit
ASI lead auditor	Guntars Laguns
Local Expert	Gary Featherstone
Audit language	English
Sites audited	Company's HQ and forest sites

Audit agenda

11 February (Sunday)	
Afternoon	Meeting with local expert
Evening	Meeting with CB team
12 February (Monday)	
9:00	Opening meeting, follow up on some issues
11:00	Follow up on CARs
12:00	Lunch
13:00	Follow up on CARs

15:00	Meeting with stakeholders
18:00 - 19:00	ASI audit team briefing

13 February (Tuesday)

9:00	Office, work on documents, meetings with company staff members
12:00	Lunch
13:00	Office, work on documents
17:00	Travel to Strzelecki region, office

14 February (Wednesday)

9:00	Site visits with stakeholders
16:30 – 19:00	GRP office visit

15 February (Thursday)

8:00	GRP office visit
10:30	Site visits with GRP and HVP staff
16:00	GRP office visit
17:30	Travel to Melbourne, ASI briefing of SW audit team of provisional findings

16 February (Friday)

8:00	Meeting with M. Spencer (FSC Australia)
10:00	Meeting with rainforest expert
11:30	Meeting with A. Amis (Friends of Earth Australia)
13:00	Lunch
14:00	Office, work on documents, phone interviews
16:00	Meeting with HVP (ASI team only)
17:30 – 18:30	ASI briefing of SW audit team of provisional findings

17 February (Saturday)

AM/PM	Review of documents, previous ASI and SW reports, writing audit report
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18 February (Sunday)

AM/PM	Review of documents, previous ASI and SW reports, writing audit report
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19 February (Monday)

9:00	HVP office, reports review, summarizing findings
13:00	SW and HVP closing meeting
15:45 – 17:00	ASI and SW closing meeting

People involved and met during the audit

CB	Keith Moor (SW Lead auditor from Canada; KM has been involved in HVP certification evaluations for last 2 years and this was his 3 rd audit for HVP) Andrew Hill (SW Local expert, environmental expert from Australia, 1 st time working for SW) Loy Jones (SW Observer; SW Asia Pacific Director)
Operation	Linda Sewell – Executive Director Malcolm Tonkin – Manager Stewardship & Asset Programs Systems Stephen Pollet – Manager, EMS Charlie Amalfi – Chief Financial Officer Owen Trumper – Grand ridge Plantations, General Manager Other company staff members
Others	Anthony Amis (Friends of the Earth Australia) Susie Zent (Friends of the Gippsland Bush) Anne Westwood (Trust for Nature) John Zent (Trust for Nature) Other stakeholders and experts

Main documents and records reviewed

CB documents	SW Certification Report for Main assessment SW Public summary 1002-2005 SW Surveillance Audit report 2006 SW Interim Standards for Assessing Forest Management in Australia (5 December 2006) SW Certification report public summary 2007
Company's documents	Different management planning, operational and monitoring documents
Other documents	ASI 2006 report for SW office audit and SW responses Different stakeholders' provided documents

2 Audit objectives and planning

The objectives of this forest management surveillance audit are:

1. Evaluation of certification body's performance in implementing the accredited certification system in accordance with FSC accreditation requirements.
2. Witness an audit team to determine whether or not the team:
 - a) adequately applies the procedures and instructions of the certification body;
 - b) members exhibit the characteristics of an auditor as detailed in ISO 19011;
 - c) has the required expertise of the sector in which the audit is being undertaken;
 - d) applies appropriate expertise in the correct sense;
 - e) undertakes the audit effectively and draws correct conclusions.

3. Evaluation of the conformity of the certificate holder with FSC and certification body's certification requirements in so far as this is necessary to verify the performance of the certification body.
4. Evaluation of stakeholder comments or complaints ASI received in relation to this operation.

ASI annual surveillance audits are conducted as “*witness audits*” and are based on a sample of the valid certificates of the audited CB within the scope of accreditation. The number of audits per year is determined by ASI surveillance policy; sampling is based on the ASI sampling procedure.

Due to the nature of ASI surveillance procedures, audit evidence is only based on a sample of the information available and therefore there is always an element of uncertainty in the audit findings.

3 ASI stakeholder consultation process

The stakeholder consultation process employed by ASI consists of 2 parts:

1. public announcement of the audit on the FSC electronic fora and on the ASI website about one week prior to the audit to solicit stakeholder comments;
2. direct interviews with selected key-stakeholders mainly conducted by the contracted local expert prior, during and after the audit.

Summary of main concerns expressed by stakeholders

Stakeholder Comments	ASI response
SW has not addressed non-compliances and closed some of the CARs with no appropriate evidence of compliance	<p>The comment has been confirmed and addressed by SW during this audit. See ASI CARs below.</p> <p>See: CAR.SW.FM.2007.01.AUS CAR.SW.FM.2007.02.AUS CAR.SW.FM.2007.03.AUS CAR.SW.FM.2007.07.AUS</p> <p>It should be noted that a Major CAR was raised by ASI during the SW 2006 office audit addressing this issue. ASI does not request a new corrective action specific to this audit as this FSC accreditation requirement has been addressed following the SW 2007 office audit.</p>
Shortfalls in the identification of Rainforests by HVP as well as different rainforest's definition used during the certification process	<p>The comment has been confirmed and addressed by the ASI CARs below as well as a number of SW CARs.</p> <p>Issue of rainforest identification is also linked to the inappropriate evaluation of HCVF management practices by SW.</p>

	<p>See: CAR.SW.FM.2007.01.AUS CAR.SW.FM.2007.03.AUS REC.SW.FM.2007.09.AUS CAR.SW.FM.2007.07.AUS</p>
<p>Inappropriate definition and implementation of rainforest buffers and management of rainforests</p>	<p>From the audit sample ASI auditor cannot confirm whether rainforest buffers were inappropriately implemented. However, SW auditors need to provide explicit and clear justification as to why they consider that HVP Best Management Practice is in line with the applicable FSC standard requirements.</p> <p>See: CAR.SW.FM.2007.03.AUS REC.SW.FM.2007.09.AUS</p>
<p>Audit is organized only in summer thus no possibilities to evaluate how different season and weather aspects are considering by HVP (wet period)</p>	<p>The comment has been confirmed and addressed by the ASI REC below.</p> <p>See: REC.SW.FM.2007.07.AUS</p>
<p>Inappropriate road building and maintenance practices by HVP; road spoil bulldozed in gullies by HVP</p>	<p>The comment has been confirmed and addressed by the ASI CARs below.</p> <p>See: CAR.SW.FM.2007.04.AUS REC.SW.FM.2007.09.AUS</p>
<p>Amount of slash and debris left in site by HVP</p>	<p>During the ASI audit there was evidence of harvesting residues left on site. However, ASI auditor did not witness any non-compliance with FSC requirements related to harvesting slash and debris. Leaving some harvesting debris on site is generally preferred over burning, chipping, or removing it from harvesting site. Generally leaving debris and slash on site can be beneficial and can help maintaining soil nutrients over the long term.</p>
<p>Significant soil erosion after harvesting activities</p>	<p>During this audit, ASI auditor did not witness any soil erosion after the harvesting, so it is not possible to confirm this comment.</p>
<p>SW audit team was not prepared for the field audits, having no maps etc.</p>	<p>ASI cannot confirm this comment. During the ASI audit, the SW team showed that it was well prepared for the audit. During this audit maps were given promptly on request to SW audit team by certificate holder.</p>
<p>SW auditors change during the certification process</p>	<p>It is a FSC requirement to change certification body auditors after 3 audits performed by one auditor so as to foster impartiality. This</p>

	comment does not indicate a non-compliance with FSC requirements.
Auditors lectured stakeholders during the audit	ASI auditor apologizes if SW auditors and team members as well as ASI audit team have been perceived as lecturing and confronting stakeholders during this audit.
Maryvale CoC certification was not appropriate since stakeholders have not been consulted and company uses timber from HCVF in their production	Maryvale CoC certification evaluation was not within the scope of this ASI audit and the issue raised could not be investigated. Please note that there is no FSC requirement for stakeholder consultation process during COC evaluations.
Independent HVP communication survey (requested by SW CAR from 2006 audit) was not appropriate; social expert who did survey was in conflicts of interest with the company.	The comment is partly confirmed. One issue is related to SW audit team approach to raise corrective action requests and to address non-compliance. See: CAR.SW.FM.2007.02.AUS ASI did not find any evidence of noncompliance related to SW Social Expert's conflict of interest. ASI assessment is that a person who works for the industry as a consultant can provide professional and independent services. Such practice is in line with FSC requirements.
Different management types – why HVP managed forests are considered as plantation and not as natural forests	Discussions took place during the audit on the difference between plantations and natural forests, and the reason why HVP and GRP managed forests are considered as plantations ¹ , since planted Mountain Ash forests obviously includes “most of the principal characteristics and key elements of native ecosystems”. FSC does not consider all planted forests as plantations. ASI auditor believes that it is responsibility of FSC Working Group in Australia to clarify forest management types in Australia.

¹ plantation: forest areas lacking most of the principal characteristics and key elements of native ecosystems as defined by FSC-approved national and regional standards of forest stewardship, which result from the human activities of either planting, sowing or intensive silvicultural treatments. (From FSC Glossary of terms)

4 Audit findings related to CB performance

4.1 Structure and content of CB standard and its application

<p>CB audit team in compliance with FSC-STD-20-002</p>	<p>SW Interim Standards for Assessing Forest Management in Australia (5 December 2006) was reviewed to assess compliance with FSC requirements. It should be noted that the standard was reviewed against all parts of FSC-STD-20-002, except 3.4-3.14, since SW generic standard was fully reviewed during SW re-accreditation process.</p> <p>From ASI evaluation, it was evident that the standard is still missing some important elements. For example, the standard does not comply with the latest versions of all approved FSC international policies, standards (during the 2002 General Assembly a motion was passed to add gender equality to Criterion 4.4, which is now reflected in the new criterion wording "both men and women"). The new version of Criterion 4.4 is not included in the standards and gender equality is not considered in the indicators.</p> <p>ASI audit team recommends SW to ensure that new SW interim standard for evaluation standard complies with all relevant FSC standard requirements.</p> <p>ASI proposes REC.SW.FM.2007.01.AUS</p> <p>ASI auditor has reviewed SW evaluation reports to monitor how standard requirements for decision making have been applied during previous evaluations.</p> <p>After this review ASI auditor considers that there has been ongoing non-compliance with some of the FSC requirements since the year 2002, when SW main assessment was carried out, with regards to the transparency of certification process and stakeholder consultation process as well as environmental and HCVF issues.</p> <p>In the case of Hancock certification there are two main aspects which are not in line with FSC requirements – a) long term corrective action requests and b) continuous non-compliance with relevant standard requirements.</p> <p>a) Some Conditions from the main assessment have a timeline of several years up to the expiry date of the certificate. Since 1st January 2005 FSC accreditation standard requires that CARs must have a specific timeline (Major CARs from 3-6 months and Minor CARs 12-24 months). In 2006 SW auditors have closed some of these long-term Conditions. However, 2 Conditions (quote from SW 2006 report) “that were multi year “throughout the life condition” remained open after 2006 year audit in non-compliance with FSC-STD-20-002 requirements.</p> <p>ASI audit team has identified the same problem during the FSC 2006</p>
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	<p>office audit for SW when HVP certification files were reviewed, and corrective action request (CAR.SW.OFF.2006.06) were issued for SW to address this non-compliance. SW provided response challenging this CARs and based its response on two main aspects:</p> <p>To address ASI issue to “life of the certificate” CARs – SW responded that FSC standard reference on which bases ASI identified non-compliance has an effective date of 30 November 2004. There were no outstanding major non-compliances so the reference to this clause does not make sense and thus should be corrected/ removed. Also SW stated that <i>„it was impossible to go back and change CAR timeframes issued before prior to our effective date since the already finalized CARs and timeframes are specifically incorporated into our certification agreement with HVP and changing of these would be a breach of this contract.“</i> SW also summarized that <i>„however, it is not correct auditing to go back to an occurrence that happened prior to the effective date of new standards and apply them to that situation when they were not in effect and then issue a resultant CAR. For this reason SW feels strongly that this non-conformance should be removed from the audit report“.</i></p> <p>ASI auditor considers that SW arguments² are not clearly addressing the identified problem. There is ongoing non-compliance with relevant FSC accreditation standards in regards to how CB must address non-compliances. ASI understands that change in the accreditation standards requires a certain time to implement new requirements and to adapt procedures, and that’s why FSC and ASI allow an implementation time of 1 year. However, the current SW FM surveillance audit was carried out more than two years after the new accreditation standard’s effective dates and there are still 2 open CARs issued by SW which are clearly not in compliance with FSC-STD-20-002, part 8.</p> <p>Therefore, SW 2006 office audit ASI proposed CAR.SW.OFF.2006.06 1st part, which address timelines for CARs, is maintained as a major CAR.</p> <p>During the ASI closing meeting, SW representatives stated that there must be many certificate holders with long-term CARs written before the new FSC accreditation standards became effective. It seems to be necessary for SW to review their certificate holder portfolio and identify CARs which have deadlines of more than 12 or 24 months respectively, and to implement measures to phase out all CARs with unacceptable timelines.</p> <p>ASI proposes REC.SW.FM.2007.02.AUS</p>
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² The argument that returning back to previous CARs would be breach of contract with HVP raised another issue to consider. CB contracts with clients must ensure that if FSC have changed their certification and accreditation requirements, CB has rights to change evaluation and certification approach and certificate holder is given 12 months to comply with new requirements. This issue will be monitored on following ASI audits for SW.

	<p>Re b) Second aspect of continuous non-compliance regarding continuous non-compliance with relevant standard requirements was also evident during this audit.</p> <p>Some examples of analyzed SW reports and non-compliances are provided below.</p> <p>Major CAR 9-2005 with standard reference 6.1, 9.1., identifies non-compliance with two key environmental criterions. However, SW in their 2006 report stated that this MAJOR CAR technically has been met; however, due to poor wording of the CAR the intent has not been met. This CAR was closed and a new Major CAR was issued. Thus major non-compliance with standards requirements has been ongoing for two years because of SW "poor" wording of the CAR.</p> <p>Also, Major CAR 1-2006 with standard reference 2.3, 4.4, requested a survey of HVP communication effectiveness and action plan on how to implement recommendations from surveys. This Major CAR resulted from two other CARs - Major CAR 1-2005 with standard reference 2.3, 4.4, status of CAR: met and closed, however, Major CAR 1-2006 remains to address continued non-compliance with these standard requirements, and Minor CAR 3-2005, standard reference 4.1, 4.4, 7.3, is indicated as part of this CAR is not met. A Major CAR was issued with reference to Major CAR 1-2006, and is also linked to the Condition 4.4.1 from 2002 Main evaluation. This clearly identifies continuous non-compliance with relevant certification requirements.</p> <p>CAR 1-2006, which apparently was aimed to address company and stakeholder interaction problems, was closed during this audit. The base for closure of the CAR was that HVP could demonstrate an independent survey of HVP communication effectiveness. However, from the survey it was clear that the author interviewed around 10-11 people not providing proper description of selection process for the survey. Stakeholders interviewed during this survey mainly provided positive (one negative) comments to HVP communication, and thus the survey was generally positive. This was considered as enough evidence for SW auditor to close the CAR. For the ASI auditor, the closure of this CAR is not appropriate since during the audit there was still evidence (already identified by SW audit team in 2002 audit) for ongoing significant communication problems with some of the stakeholders. From the perspective of the ASI auditor the non-compliance was not appropriately addressed and thus the closure of the major CAR is not justified.³</p>
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³ It may be questioned also approach of SW audit team how non-compliance was addressed. SW CAR was requesting to certificate holder to carry survey, instead requesting that certificate holder have to demonstrate how they are in compliance when there "is lack of effective consultation with affected stakeholders before, during and after forest management planning". Generally certificate holder should decide what the best way to comply with standard requirements is and in the same time SW are responsible to ensure that actions taken by certificate holder are adequate enough to close CAR.

	<p>The certificate holder was able to demonstrate that a system for stakeholders' interaction has been developed, but the ASI auditor does not consider that this system is adequate and fully implemented. For example, although the certificate holder is trying to be open and to answer to all stakeholder requests, the issue that stakeholders have been given different and accidentally wrong (according HVP) maps still identifies some implementation problems in the communication process. There are many examples of interaction problems from both sides, resulting in a "no one speaks to each other"-situation, which is not appropriate for an FSC certification process. From ASI auditor perspective, this problem was not addressed by SW auditors. See also ASI comments in 4.5 for stakeholder consultation process and part 4.6 in regards to evaluation of certificate holder performance instead of system development evaluation.</p> <p>Corrective actions in Major CAR 3-2006, with standard reference 9.1, requesting broad survey of myrtle wilt is also not appropriately worded, since a survey would not address the non-compliance identified. This CAR is coming from Condition 9.1.2 (see SW 2006 report states that status of condition is as follow: Not Met, Open and became Major CAR 3-2006) with the same standard reference, where it is stated that there are no "current monitoring of the impact of harvesting to custodial lands". Firstly, the FSC requirements for impact assessment of harvesting to native ecosystems are covered under Criterion 6.1, not under 9.1. Secondly, the non-compliance identified by SW is the lack of impact monitoring; this issue falls under FSC Criterion 8.2. Thirdly, the request to myrtle wilt survey does not address the issue of lack of monitoring or in other words - non-compliance. Since Condition 9.1.2 results from the 2002 assessment, it appears that this non-compliance with relevant standard requirements has been ongoing for 5 years.</p> <p>Since all main issues were identified by SW during previous evaluations, the way SW addresses those non-compliances was inappropriate in terms of issuing CARs, closing them and afterwards issuing new CARs related to similar, if not the same issues.</p> <p>ASI auditors already identified this non-compliance (major CARs closed and new CARs raised to address the same non-compliance) during the 2006 office audit. FSC requires that CARs must be fully met in order to be closed.</p> <p><i>SW responded that "it is important to emphasize that there is nothing in the FSC standards or SW FM Evaluation Manual that indicates that multiple or recurrent CARs cannot be written for the same criterion as long as they are dealing with multiple issues relating to that criterion. After all criteria have multiple indicators and even nonconformance with individual indicators may give rise to different CARs with different areas of action. It is only when specific CARs have not been met and a new one is written to cover the same issue</i></p>
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	<p><i>without it becoming a major that a recurrent CAR would not be in compliance with FSC standards or SW procedures“</i></p> <p>This SW answer does not really focus on the core problem in the SW certification system.</p> <p>There are no requirements which could stop accredited certification bodies from issuing new CARs for one Criterion or Indicator addressing virtually different issues. However, if there is still evidence of repeated or ongoing non-compliance at indicator level then the performance of SW is weak in terms of accreditation requirement application, e.g. as in this case it issues related to HCVF (see part 5.8 of this report).</p> <p>Each CAR, which has not been met and closed in the specified timeframe, must be upgraded to a MAJOR and if the certificate holder does not comply with the requirements, other disciplinary measures such as suspension or withdrawal of the certificate must follow.</p> <p>Therefore, SW 2006 office audit ASI proposes that CAR.SW.OFF.2006.06 is maintained.</p> <p>During the review of CARs identified by SW, it appears that some CARs, which have not been met, were renamed and then raised again under different name. ASI recommends SW to review its system to ensure that CARs are kept with their original names until they are closed to ensure continuity and better traceability of identified non-compliances and corrective action requests.</p> <p>ASI proposes REC.SW.FM.2007.03.AUS</p>
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4.2 Local adaptation of CB standard

<p>CB audit team in compliance with FSC-STD-20-003</p>	<p>For the main assessment SW used Interim Standard for FSC certification in Australia from 5th September 2002 following a comprehensive adaptation process.</p> <p>SW has substantially changed the standard at the end of 2006. New SW Interim Standards for Assessing Forest Management in Australia (5 December 2006) was applicable for this audit. Although SW interim standard was sent to certificate holder within the timeframe requested by FSC, it appears that SW Lead auditor as well as the company were not aware of the new standard and its requirements. The Company has received it, however, did not read it to check compliance against the new standard requirements. SW Lead auditor should also be informed about the standard changes to prepare and get familiar with the new standard requirements. It is ASI recommendation to SW to ensure that, when a standard is changed, then the certificate holders as well as SW auditors are well informed about the changes.</p> <p>ASI proposes REC.SW.FM.2007.04.AUS</p>
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	<p>For the adaptation of its generic standard, SW claimed that they sent the new standard for consultation on 29 November 2006, but few comments were received. During the audit one local stakeholder gave written comments regarding the new SW interim standard which indicates that the standard has been circulated to stakeholders. However, the stakeholder consulted by the ASI audit team indicated that they had not received the standard for review from SW.</p> <p>ASI reviewed SW's letter sent to the SW clients and stakeholders. There is documented evidence which shows that SW sent a message to many organizations and individuals, including some eNGO, as for example, Trust for nature, Greenpeace, Wilderness Society. However, the majority of stakeholders selected by SW were from industry and government institutions.</p> <p>Knowing that SW has a number of certificate holders in Victoria and that SW most visible certificate in Australia is HVP, it is not clear why SW has not consulted with all HVP related stakeholders for the new standard adaptation process. ASI auditor recommends SW to ensure that, during standard adaptation process, the SW draft standard is sent to all stakeholders.</p> <p>ASI proposes REC.SW.FM.2007.05.AUS</p>
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4.3 Audit team

<p>CB audit team in compliance with FSC-STD-20-004</p>	<p>SW audit team consisted of two people (lead auditor and local expert) and one observer (SW regional director) who also was used as a resource person for the audit.</p> <p>SW Lead auditor was well organized thus ensuring that's the scope of the audit was covered during the evaluation.</p> <p>ASI audit team considers that SW team was well prepared and qualified to perform this audit in Australia.</p> <p>During the audit, SW team was split to evaluate different aspects according to the audit scope. SW Lead auditor went alone without local expert to different HVP FMUs, and SW local expert together with SW regional director went to GRP to review other issues.</p> <p>SW local expert participated for the first time in an FSC evaluation and it was his first audit for SW. It appears that he had not been trained by SW to perform parts of the audit independently as auditor. For this audit SW local expert had the support of a SW trained lead auditor (SW regional director). However, it is ASI recommendation for SW to ensure that only persons trained as SW auditor perform audits independently, with the appropriate qualification and skills.</p> <p>ASI proposes REC.SW.FM.2007.06.AUS</p>
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4.4 Pre-evaluation

<p>CB audit team in compliance with FSC-STD-20-005</p>	<p>SW carried out a scoping visit in 2000. In 2002 HVP selected SW as certification body for the FSC certification process.</p> <p>Compliance with FSC-STD-20-005 is mandatory for all pre-evaluations performed after the 1st January 2005.</p>
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4.5 Stakeholder consultation process

<p>Compliance with FSC-STD-20-006</p>	<p>SW has ensured very comprehensive stakeholder consultation process. Also, stakeholders generally provided good feedback on SW auditors performance related to the auditors' professional approach.</p> <p>However, over the last few years, stakeholder support to SW has decreased because stakeholders feel that SW auditors did not appropriately address all the certificate holder's non-compliances. For details about SW approach to address non-compliances sees parts 4.1, 4.6 and 4.7 of this report.</p>
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4.6 FM evaluation

<p>CB audit team in compliance with FSC-STD-20-007</p>	<p>SW team has spent 6 days for this evaluation of which 4 (accumulated by team split in two parts – 2 days each) were field days.</p> <p>Audit scope, setup as well as schedule were appropriate to cover the scope of the audit and to ensure adequate evaluation of implementation of the company's system and appropriate field performance in compliance with FSC requirements.</p> <p>The ASI auditor received a comment from stakeholders that SW has planned all their surveillance audits in the summer, which is the dry season, and that this does not allow SW auditors to evaluate erosion during harvesting activities, haulage as well as road building quality.</p> <p>FSC requirements require CBs to perform annual surveillance audits. However, the CB is free to choose and plan when to perform their audits to ensure compliance with applicable standard requirements.</p> <p>ASI auditor considers that SW surveillance procedure shall allow and encourage SW auditors to plan their audits in different seasons thus allowing for auditors to make factual observations on different aspects of certificate holder's management control of the critical aspects and its field performance in different conditions and for the full range of management operations.</p> <p>ASI proposes REC.SW.FM.2007.07.AUS</p>
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	<p>Another issue appeared during the report review. In the SW 2006 report it is stated in Major CAR 7-2005, standard reference 6.2., that <i>“the team was unable to verify that these measures are implemented in coupe planning, but accepts company statements that they are.”</i> SW took the decision to close the CAR based on this statement; however, no verification of implementation of the corrective actions took place.</p> <p>Such approach is not in line with FSC requirements for forest management evaluations. FSC-STD-20-007, part 1.3 b) states that the certification body shall confirm that there is a management system in place that is capable of ensuring that all the requirements of the specified Forest Stewardship Standard are implemented within every FMU within the scope of the evaluation. This goes in line with FSC-STD-20-002 part 2.1, which states that compliance with the standard shall be determined by evaluating observed performance at the Forest Management Unit (FMU) level against each indicator of the standard, and in comparison with any performance threshold(s) specified for the indicator.</p> <p>The key of FSC evaluation is field performance and SW must ensure that auditors base their conclusions on objective evidence obtained during FMUs field performance evaluation.</p> <p>ASI proposes CAR.SW.FM.2007.01.AUS</p> <p>HVP certificate includes two companies – HVP and Grand Ridge Plantations Pty. Limited (GRP). GRP is HVP fully owned subsidiary.</p> <p>GRP is a separate legal entity, with separate bank account and yearly financial reports, office, business cards, etc. HVP and GPR both have their own direct timber supply contracts with customers. GRP invoices its customers directly using its own names and stationeries. Thus there are two companies operating with only one certificate code. This situation can create risks of confusion with customers as well as problems with the chain of custody because GRP does not appear in the certificate registers as certificate holder.</p> <p>ASI auditor recommends SW to ensure that only one legal entity is allowed to invoice and use the FSC certificate code.</p> <p>ASI proposes REC.SW.FM.2007.08.AUS</p>
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4.7 The certification reports (main report and public summary)

<p>CB audit team in compliance with FSC-STD-20-008 and FSC-STD-20-009</p>	<p>ASI auditor reviewed several SW reports, see part “Main documents and records reviewed”, to evaluate compliance with FSC report requirements.</p> <p>Generally, SW reports comply with FSC accreditation requirements.</p>
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	<p>One issue identified by ASI auditor is related to Major CAR 4-2006, standard reference 9.4, coming from Condition 9.4.1, already identified in 2002 SW evaluation, which describes that HVP does not have a monitoring program to assess the effectiveness of the measures it employs to maintain conservation attributes in two regions. SW Auditor's identification of the non-compliance is very clear and is reported. SW also states that during its 2nd year of certification, the company does not comply with FSC Principle 9.4 at Criterion level. According to FSC requirements this is a Major non-compliance and adequate disciplinary measures should have been taken. However, SW auditors only request as corrective action a shortlist of species that can be realistically and practically monitored as an index of diversity and ecosystem health in HVP custodial lands⁴ in Strzelecki Ranges and the Gippsland Plain. Then SW report states that the results of HVP monitoring programs will be provided to SW on an annual basis.</p> <p>The approach taken for describing this non-compliance and wording this CAR presents several important shortcomings:</p> <ul style="list-style-type: none">a) SW CAR does not address the non-compliance, which is lack of monitoring program.b) SW CAR does not require implementation of monitoring program.c) SW CAR makes reference to specific regions only and does not cover all other HVP and GRP managed forests. <p>When ASI auditor presented this issue to the SW audit team, they expressed that non-compliance which is written in the CAR is just copied from the SW standard and does not reflect the reality of the non-compliance which was identified during the 2002 Main evaluation. SW audit team stated that such approach of describing non-compliance was selected because of SW auditor's efforts to address long terms CARs. Also, during the audit, discussions with SW lead auditor indicated that he tried to address issue related to "long-term" CARs and to close such CARs. However, due to some "poor" wording and the nature of some of the CARs, the company had difficulties to demonstrate compliance.</p> <p>ASI auditor understands that in some cases it can be difficult to close CARs, which were written by another auditor and/ or poorly worded without the clear identification of the intent behind the actions requested.</p> <p>If a CB does not clearly identifies the non-compliance and at the same time writes unclear corrective action requests, it is difficult for a certificate holder to understand the intent of the corrective actions and afterwards to plan and implement appropriate measures to</p>
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⁴ SW report states that all HVP refers to natural and semi-natural forests as Custodial lands and consider all remnant native vegetation (custodial lands) greater than five hectares to be HCVF.

	<p>address the non-compliance identified. SW shall consider reviewing and updating their accredited certification system to ensure that identified non-compliances are indicated and that the corrective actions directly address the identified non-compliances and are worded in a standardized way which is understandable to all SW auditors as well as certificate holders.</p> <p>ASI auditor considers that the approach taken by SW to identify and describe non-compliances is not in line with FSC standard requirements for evaluation and report writing (FSC-STD-20-008, box 2, part 4.2) as SW surveillance evaluation report shall include “clear identification of any minor or major non-compliance identified as a result of surveillance”.</p> <p>ASI proposes CAR.SW.FM.2007.02.AUS</p> <p>FSC-STD-20-008, box 2, part 4.1, requires CBs to provide “<i>explicit identification and discussion of any issues that were hard to assess, for example because of divergent stakeholder opinions, or difficulty in interpreting the standard in the field</i>” and “<i>In cases where one or more stakeholders have alleged a non-compliance but the auditors have concluded that a certificate should be maintained, the surveillance report shall explain why the auditors concluded there was no non-compliance, or why the alleged non-compliance was considered minor, and/or show how the allegation is explicitly linked to a new corrective action requirement</i>”.</p> <p>Although, SW has put a lot of efforts in its report to describe the findings of its audits, as well as its stakeholder consultation process, ASI auditor considers that SW has not provided a clear explanation of SW conclusion regarding the concerns expressed by stakeholders about some of HVP activities (mainly related to the road building quality, buffer zones around the rainforests, soil erosion, identification of rainforests, and other similar aspects). SW shall fully and clearly justify its conclusion that the company is in full compliance with FSC certification requirements in these areas.</p> <p>SW shall ensure that stakeholder comments are evaluated and addressed in the report. SW surveillance report shall explain and justify its conclusion regarding compliance of the company, especially for all the issues related to stakeholder comments.</p> <p>ASI proposes CAR.SW.FM.2007.03.AUS</p>
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4.8 Decision making

<p>Compliance with FSC decision making requirements</p>	<p>During the discussions with SW lead auditor, stakeholders and the company there was a misunderstanding and un-clarity regarding the certification and decision making process in the FSC system in general and for the HVP certification process in particular.</p> <p>The company and stakeholders expressed the view that the 1st draft of 2006 SW audit report proposed the suspension of HVP. A similar understanding was expressed by SW lead auditor, who at the beginning of the ASI audit stated that last year he recommended the suspension of HVP, but SW decided not to suspend HVP and that the Major CARs where rewritten. When this issue was discussed with SW team during the ASI and SW closing meeting, SW auditor clarifies that he did not recommend the suspension of HVP, but just identified in its report that HVP was not in compliance with SW Major CARs.</p> <p>However, SW 2006 report indicates that SW HQ received additional documented evidence from HVP after the audit and thus the proposed certificate suspension was not processed.</p> <p>In 2006 report SW states that” <i>the audit team has found that HVP has barely maintained certifiable performance and has not adequately addressed Conditions and CARs as defined by SmartWood and FSC policy. A total of 27 conditions and CARs were audited. 18 were met and closed. 7 were not met or remain open as follows:</i></p> <ul style="list-style-type: none"> • <i>All MAJOR CARs were met although resulting in an additional MAJOR CAR;</i> • <i>2 CARs were not met and become a single MAJOR CAR with a 5-month timeline for completion;</i> • <i>3 Conditions were not met and become MAJOR CARS – all with 5-month timelines; and,</i> • <i>2 Conditions remain open and are on-going through the life of the certificate.”</i> <p>ASI auditor has serious concerns about the SW decision to maintain certification even if after two years of certification (and 4 years of the main assessment) the company still has several Major CARs.</p> <p>There are two basic principles in FSC certification describing the procedure for issuing and maintaining certificate.</p> <p>First principle is that FSC certification is based on certification performance threshold and a certificate can only be issued when (FSC standard FSC-STD-20-001, General requirements for FSC accredited CB, in part 7) “<i>the applicant has complied with the requirements of all applicable standards</i>”. In this case of continuous non compliance with Principle 9 indicates that SW has issued a certificate to the company when it was not in compliance with all</p>
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	<p>applicable standard requirements.</p> <p>The second principle is that FSC certification is maintained only if (FSC-STD-20-001, General requirements for FSC accredited CB, part 7) the certificate holder complies and continues to comply with all the certification body's conditions for granting of the certificate and corrects any major non-compliances with the applicable standard(s) within the maximum period specified by the certification body;</p> <p>If a certificate holder does not comply with the requirements or if the actions taken to address minor non-compliances are not considered adequate, then the non-compliance becomes a 'major' non-compliance (FSC-STD-20-002, part 8.6). The standard also requires that if a major CAR is not addressed the certificate shall be suspended. This issue is already discussed in other parts of this report, e.g. part 4.1.</p> <p>ASI auditor considers that the results from this ASI audit, as well as the results from ASI 2006 office audit for SW, identifies substantial systematic deficiency in SW decision making system for issuing and maintaining certificates.</p> <p>ASI proposes CAR.SW.FM.2007.07.AUS</p>
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5 CB evaluation of certificate holder's compliance.

To respect confidential information this section of ASI reports is removed from ASI public summary report. However, nonconformity identified by ASI and related to certificate holder compliance are attached as an annex to this report.

Summary of nonconformities and observations

Major CAR(s)	Minor CAR(s)	Observations
None	7	10

See nonconformity reports (attached) for details.

Conclusion and recommendation

SW audit team conducted a systematic and well organized audit and covered almost all issues in a professional manner.

ASI auditor detected that, although during this certification project SW auditors demonstrated good skills of identification of non-compliances, one of the major problems is that SW issued CARs that do not adequately address the identified non-compliances. Many of these CARs were extended and/ or closed despite the lack of compliance instead of being upgraded, or other disciplinary measures be proposed against the certificate holder. Another major issue is that SW issued a certificate to a company that did not demonstrate full compliance with FSC certification requirements thus encouraging a

continuous improvement approach instead of a performance based certification. This seems to be the root-cause for many problems, including high visibility of the HVP certificate. This is a major threat to the credibility of the SW certification system and subsequently to FSC if not corrected.

Based on the findings of this audit, the ASI auditor recommends to FSC AC the continuation of the FSC forest management accreditation for SW, subject to the timely closing of the nonconformities identified during the audit and specified in the nonconformity reports (attached).

Credits

The author would like to thank Jon Jickling, Loy Jones (SW Asia Pacific regional director), Keith Moore (SW Lead Auditor), as well as staff members from Hancock Victorian Plantations Pty. Limited for their cooperation and help in organizing this ASI surveillance forest management audit.

Other

All information in this report is confidential and may not be disclosed to third parties, with the exception of the information which is to be included in the FSC Audit Public Summary Report.

Terms and definitions

Nonconformity: The absence of, or the failure to implement and maintain, one or more management system requirements of the reference standards, or a situation which would, on the basis of available objective evidence raise significant doubt as to the credibility of the certificates issued by the applicant body. ASI procedures for nonconformity and corrective action requests are included in ASI QMS, procedure ASI-PRO-20-116 Corrective action procedure.

Note:

A "nonconformance" is a product that does not meet specifications;

A "nonconformity" is a process that does not meet specifications.

According to their severity, nonconformity is graded into three categories:

Major Nonconformity - CAR

"A systematic failure or significant deficiency -either as a single incident or a combination of a number of similar incidents- in a significant part of the quality system, or the lack of implementation of such a part, governed by applicable standards. A number of minor nonconformities against one requirement of the reference standards can represent a total breakdown of the system and thus be considered a major nonconformity."

Minor Nonconformity – CAR

"An isolated or sporadic lapse in the content or implementation of procedures or records which could reasonable lead to failure of the system if not corrected. If a pattern of minor nonconformities occurs over successive assessments, it may represent a total breakdown of the system and a major non-conformance shall be issued."

Observation or recommendation - REC ⁵

“An area of concern, a process, document, or activity that is currently conforming that may if not improved, result in a nonconforming system, product or service. Observations shall be recorded in the audit report for the benefit of the customer.”

Attachments

Nonconformity reports (NCRs)

⁵ **Note:** Observations are related to an area of concern, a process, document, or activity that is currently conforming that may if not improved, result in a nonconforming system, product or service. Thus, observations which are not considered by the CB may be upgraded to conditions in the following audit.

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SW.FM.2007.01.AUS	Date	07 March 2007
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
ASI audit team recommends SW to ensure that new SW interim standard for evaluation standard complies with all relevant FSC standard requirements.			
Normative Reference(s)	FSC-STD-20-002		
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

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Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
ASI audit team recommends SW to review their certificate holder portfolio and identify CARs which have deadlines of more than 12 or 24 months respectively, and to implement measures to phase out all CARs with unacceptable timelines.			
Normative Reference(s)	FSC-STD-20-002		
Comments:			

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REF. No.	REC.SW.FM.2007.03.AUS	Date	07 March 2007
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>During the review of CARs identified by SW, it appears that some CARs, which have not been met, were renamed and then raised again under different name. ASI recommends SW to review its system to ensure that CARs are kept with their original names until they are closed to ensure continuity and better traceability of identified non-compliances and corrective action requests.</p>			
Normative Reference(s)	None		
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SW.FM.2007.04.AUS	Date	07 March 2007
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
It is ASI recommendation to SW to ensure that, when a standard is changed, then the certificate holders as well as SW auditors are well informed about the changes.			
Normative Reference(s)	None		
Comments:			

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Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>ASI auditor recommends SW to ensure that, during standard adaptation process, the SW draft standard is at least sent to all stakeholders which SW contacted during their main assessment and surveillance stakeholder consultation process.</p>			
Normative Reference(s)	FSC-STD-20-003		
Comments:			

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REF. No.	REC.SW.FM.2007.06.AUS	Date	07 March 2007
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
It is ASI recommendation for SW to ensure that only persons trained as SW auditors with the appropriate qualification and skills perform audits independently.			
Normative Reference(s)	FSC-STD-20-004		
Comments:			

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Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>ASI auditor considers that SW surveillance procedure shall allow and encourage SW auditors to plan their audits in different seasons thus allowing for auditors to make factual observations on different aspects of certificate holder's management control of the critical aspects and its field performance in different conditions and for the full range of management operations.</p>			
Normative Reference(s)	FSC-STD-20-007 Clause 3.2.1 ii		
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

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Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2005	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
SW must ensure that auditors base their conclusions on objective evidence obtained during FMUs field performance evaluation.			
Normative Reference(s)	FSC-STD-20-007, part 1.3 b), FSC-STD-20-002, part 2.1.		
Corrective Action Request: SW shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.			
Timeline for implementation		Next office audit	
Corrective Action implemented by Certification Body			
Here: describe action taken in detail			
Corrective Action evaluated by ASI			
Here: describe conclusion in detail			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:	Date:	
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SW.FM.2007.08.AUS	Date	07 March 2007
Nonconformity detected by (name of auditor)	Guntars Laguns		
Through (e.g. office audit, document review)	FM surveillance Audit 2007		
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
ASI auditor recommends SW to ensure that only one legal entity is allowed to invoice and use the FSC certificate code.			
Normative Reference(s)	None		
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.2007.02.AUS	Date	07 March 2007
Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2005	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
ASI auditor considers that the approach taken by SW to identify and describe non-compliances is not in line with FSC standard requirements for evaluation and report writing (FSC-STD-20-008, box 2, part 4.2) as SW surveillance evaluation report shall include "clear identification of any minor or major non-compliance identified as a result of surveillance".			
Normative Reference(s)	FSC-STD-20-008, box 2, part 4.2		
Corrective Action Request: SW shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.			
Timeline for implementation		Next office audit	
Corrective Action implemented by Certification Body			
Here: describe action taken in detail			
Corrective Action evaluated by ASI			
Here: describe conclusion in detail			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:	Date:	
Comments:			

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Nonconformity detected by (name of auditor)		Guntars Laguns		
Through (e.g. office audit, document review)		FM surveillance Audit 2005		
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
SW shall ensure that stakeholder comments are evaluated and addressed in the report. SW surveillance report shall explain and justify its conclusion regarding compliance of the company, especially for all the issues related to stakeholder comments.				
Normative Reference(s)		FSC-STD-20-008, box 2, part 4.1		
Corrective Action Request: SW shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
Timeline for implementation		Next office audit		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
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<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*		Name auditor:		Date:
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Through (e.g. office audit, document review)		FM surveillance Audit 2005		
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
<p>HVP activities are of concern regarding the quality of the road building activities since all timber and residues have systematically been bulldozed down steep slopes.</p> <p>The ASI auditor considers that such activity creates substantial impact to the environment and thus should be considered during the planning of road building activities so that such impact can be minimized if not avoided.</p> <p>There was no evidence during the ASI audit that an appropriate environmental impact assessment prior site disturbing operation, such as road building, had been carried out by the company. SW shall ensure that environmental impact assessment prior site disturbing operations are performed by the company.</p>				
Normative Reference(s)		FSC Principle 6, Criteria 6.1		
<p>Corrective Action Request:</p> <p>SW shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.</p>				
Timeline for implementation		Next office audit		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
Here: describe conclusion in detail				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:		Date:	
Comments:				

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Nonconformity detected by (name of auditor)	Guntars Laguns		
Through (e.g. office audit, document review)	FM surveillance Audit 2007		
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>HVP was able to demonstrate a comprehensive system of rainforest identification, complying with the national rainforest identification system. However, stakeholders claimed that HVP does not appropriately identify and protect rainforests.</p> <p>During the ASI audit there was evidence that HVP does rainforest inventory. As a result from this inventory, in some cases HVP removes from their maps and databases areas, where previously potential rainforests were identified, but according inventory results these areas do not comply with rainforest criteria. However, at the same time new areas identified and confirmed by HVP rainforest inventories, were not mapped immediately and thus were not considered during management planning to ensure that appropriate safeguards are implemented to protect important ecosystems. Also, on the newly identified rainforests, HVP applies management methods, (e.g. smaller buffer zones from HVP Best Management Practices for rainforest protection), which are different from methods applied in areas which were primarily considered as rainforests.</p> <p>The issue of buffer zones has to be clarified by SW auditors as requested by ASI CAR in part 4.7 of this report.</p> <p>ASI auditor recommends SW to ensure that the certified operation applies the same management to all rainforests to ensure an appropriate protection of these ecosystems.</p>			
Normative Reference(s)	NA		
Comments:			

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Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2005	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
There was no evidence during this ASI audit that chemical use in nurseries has ever been evaluated in this certification project.			
Normative Reference(s)	FSC Principle 10, Criteria 10.7		
Corrective Action Request: SW shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.			
Timeline for implementation		Next office audit	
Corrective Action implemented by Certification Body			
Here: describe action taken in detail			
Corrective Action evaluated by ASI			
Here: describe conclusion in detail			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:	Date:	
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SW.FM.2007.10.AUS	Date	07 March 2007
Nonconformity detected by (name of auditor)	Guntars Laguns		
Through (e.g. office audit, document review)	FM surveillance Audit 2007		
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>HVP demonstrated their future strategy to change Mountain Ash plantations to Monterey Pine and Eucalyptus Saligna (Sydney Blue Gum).</p> <p>It is stated in FSC Criterion 10, that "Plantations shall be planned and managed in accordance with Principles and Criteria 1 - 9, and Principle 10 and its Criteria". Criteria 6.3 requests that "<i>Ecological functions and values shall be maintained intact, enhanced, or restored, including: a) Forest regeneration and succession; b) Genetic, species, and ecosystem diversity and c) Natural cycles that affect the productivity of the forest ecosystem.</i>"</p> <p>From this perspective it is unclear how HVP and GRP can demonstrate compliance with Criterion 6.3 during this planned species change. This is also linked to the Principle 9 and HVP defined HCVF.</p> <p>ASI auditor recommends SW to review HVP and GRP plans to switch commercial species so as to ensure that during the replacement of native species with exotic species forest ecological functions and values are maintained intact, enhanced, or restored.</p>			
Normative Reference(s)	FSC Criterion 10, Criterion 6.3		
Comments:			

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Nonconformity detected by (name of auditor)		Guntars Laguns	
Through (e.g. office audit, document review)		FM surveillance Audit 2005	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
<p>ASI auditor identified that GRP is selling both certified and uncertified timber. Uncertified timber is obtained from forest areas, which do not belong to GRP or HVP, but where GRP is buying standing timber, organize harvesting and haulage.</p> <p>FSC-STD-20-008, part 6.1.2 (Box 1) requires that <i>"if the FM evaluation does not include all the forest areas in which the client is involved, the report shall include an explicit statement explaining the special controls that are in place to ensure that there is no risk of confusion being generated as to which activities or products are certified, and which are not"</i>.</p> <p>ASI auditor did not find evidence that such statement with explanations is included in the SW audit reports.</p>			
Normative Reference(s)	FSC-STD-20-008, part 6.1.2 (Box 1)		
<p>Corrective Action Request:</p> <p>SW shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.</p>			
Timeline for implementation	Next office audit		
Corrective Action implemented by Certification Body			
Here: describe action taken in detail			
Corrective Action evaluated by ASI			
Here: describe conclusion in detail			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:		Date:
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.2007.07.AUS	Date	07 March 2007	
Nonconformity detected by (name of auditor)		Guntars Laguns		
Through (e.g. office audit, document review)		FM surveillance Audit 2005		
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
ASI auditor considers that the results from this ASI audit, as well as the results from ASI 2006 office audit for SW, identifies substantial systematic deficiency in SW decision making system for issuing and maintaining certificates. SW shall ensure that certificates are issued and maintained only when certificate holder or applicant is in compliance with all applicable standard requirements.				
Normative Reference(s)		FSC standard FSC-STD-20-001, General requirements for FSC accredited CB, part 7, FSC-STD-20-002, part 8.6		
Corrective Action Request: SW shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
Timeline for implementation		Next office audit		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
Here: describe conclusion in detail				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*		Name auditor:		Date:
Comments:				