

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

## *Hancock Forest Management NZ Ltd*

Tauranga, New Zealand

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

Unit 5, 120 Hamilton Road, Tauranga, 3141, New Zealand

Kerry Ellem, General Manager

[www.hnrg.com](http://www.hnrg.com)

CERTIFIED	EXPIRATION
Day 25/2/14	24/2/19

DATE OF FIELD AUDIT

8-11 November 2016

DATE OF LAST UPDATE

22 February 2017

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## 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 checked="" type="checkbox"/> 3 <sup>rd</sup> annual audit	<input type="checkbox"/> 4 <sup>th</sup> annual audit
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>	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 19 CoC audits and been part of two FM audit teams since June 2015.		
<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 thirty five teams for Forest Management audits in both exotic and indigenous forests and has also carried out in excess of 100 Chain of Custody audits.		

#### 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:	2.5
<b>D. Total number of person days used in evaluation:</b>	<b>10.5</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-documents">www.scsglobalservices.com/certification-standards-and-program-documents</a> ). Standards are also available, upon request, from SCS Global Services ( <a href="http://www.SCSglobalServices.com">www.SCSglobalServices.com</a> ).		

## 2 Annual Audit Dates and Activities

### 2.1 Annual Audit Itinerary and Activities

<b>Date Tuesday 8<sup>th</sup> November</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>Stakeholder engagement with Pukemakoiti Forest Trustee who is also a Te Rongoroa and Maraeroa C shareholder</li> <li>Staff interviews</li> <li>Documentation review</li> </ul>
<b>Date Wednesday 9<sup>th</sup> November</b>	
<b>FMU/Location/ sites visited*</b>	<b>Activities/ notes</b>
Waituhi Forest	<ul style="list-style-type: none"> <li>Blue Duck recovery project and discussion with project manager</li> </ul>
Waituhi Forest (HA 3035440)	<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 (HA 2219)	<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. RTE species</li> </ul>
Te Rongoroa Forest (HA 2211)	<ul style="list-style-type: none"> <li>Site visit road line salvage operation with mechanized and manual felling. Review of pre operation planning, H&amp;S training, RTE Species,</li> </ul>
Te Rongoroa Forest	<ul style="list-style-type: none"> <li>Stakeholder engagement with neighbor directly impacted by the start of harvesting in the forest who is also a land owner trust shareholder.</li> </ul>
Burgess Forest	<ul style="list-style-type: none"> <li>Stakeholder engagement with land owner and also neighbor to Te Rongoroa Forest</li> </ul>
<b>Date Thursday 10<sup>th</sup> November</b>	
<b>FMU/Location/ sites visited*</b>	<b>Activities/ notes</b>
Pureora Forest (PPRA2/5)	<ul style="list-style-type: none"> <li>Site visit mechanized thin to waste trial operation. Review of contract conditions, pre operation planning, H&amp;S procedures, training records, emergency procedures and RTE Species.</li> </ul>
Maraeroa	<ul style="list-style-type: none"> <li>Stakeholder engagement with landowners</li> <li>Visit and review of the Ginseng operation managed by the landowners</li> <li>Cooper Road Bog (Significant Natural Area)</li> <li>Waitaramoa Wetland</li> </ul>

	<ul style="list-style-type: none"> <li>• Site Visit to Wahi Tapu (landowner sacred site) site: Te Kauwae a Tipi and review of the site management with HFM staff</li> </ul>
Pouakani Forest (HA 2169)	<ul style="list-style-type: none"> <li>• Site visit mechanized harvesting operation. Review of evacuation plan, training records, pre operation planning, reserve management and mulched landings</li> </ul>
Te Kuiti	<ul style="list-style-type: none"> <li>• Stakeholder engagement with land owners of forest where harvesting has recently begun</li> </ul>
Pohaturoa, Kingleith Forest (HCVF 6)	<ul style="list-style-type: none"> <li>• Site inaccessible but visible from road, review with HFM staff regarding the management of archeological sites</li> </ul>
<b>Date Friday 11<sup>th</sup> November</b>	
<b>FMU/Location/ sites visited*</b>	<b>Activities/ notes</b>
Hancock Forest Management Office Rotorua	<ul style="list-style-type: none"> <li>• Final documentation review</li> <li>• Final staff interviews</li> </ul>
Hancock Forest Management Office Rotorua 2.30 pm	<ul style="list-style-type: none"> <li>• Closing Meeting and Review of Findings: Convene with relevant staff to summarize audit findings, potential non-conformities and next steps</li> <li>• Auditors depart</li> </ul>

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

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There has been a significant move to mechanized harvesting across the organization largely due to health and safety concerns.

## 4. Results of the Evaluation

### 4.1 Existing Corrective Action Requests and Observations

Finding Number: 2015:1	
Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<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):
FSC Indicator:	3.2.2
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): The auditors noted the Comprehensive Property Management Plan (dated July 2011) requires reviewing to update the current Maori land ownership. The CMP included incorrect tribal names and was not clear as to current land ownership.	
<b>Corrective Action Request</b> (or Observation): The Comprehensive Property Management Plan for Tasman Bay requires reviewing/updating to reflect current land ownership.	
FME response (including any evidence submitted)	The Comprehensive Property Management Plan for Tasman Bay has been updated. The forest has since been sold.
SCS review	As Tasman Bay forest has since been sold this is no longer as issue.
Status of CAR:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2015:2	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<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):
FSC Indicator:	4.4.6
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): During the Nelson field visit, the auditor found that not all neighbours around Quail Valley Road have received notification of an impending harvesting operation.	
<b>Corrective Action Request</b> (or Observation): HFM shall ensure that neighbours and relevant local communities are informed of planned forest activities.	

<b>FME response</b> <i>(including any evidence submitted)</i>	The issue on Quail Rd was followed up by HFM NZ with Nelson based staff who confirmed that the reason the other neighbours hadn't been notified of commencement of operations was because the road has been used for a number of years for harvesting. HFM NZ has reviewed neighbour notification procedures in all regions. HFM NZ has also updated section 10 of the EMS (Stakeholder Engagement) to be more specific.
<b>SCS review</b>	Reviewed section 10 of the EMS which has been updated and explicitly states when and who is to be notified if new harvesting operations are to commence, including road residents on the trucking route to the main arterial highway
<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: 2015:3</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 <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): During an interview with a contractor (Kinleith Forest) foreman, the interviewee stated that he did not think his crew were not aware of the handbook, HFM Threatened Species Identification Guide.	
<b>Corrective Action Request</b> (or Observation): HFM should continue to actively promote contractor training in relation to threatened species recognition.	
<b>FME response</b> <i>(including any evidence submitted)</i>	HFM NZ followed up with the crew involved and confirmed that the crew members were in fact aware of the Threatened Species Identification Guide and the process for reporting observations . HFM NZ has undertaken refreshers with all crews on the guide. HFM NZ has also commenced a process of refresher training with crews following release of the updated Kiwi's for Kiwi guidelines for management of kiwi in plantation forests.
<b>SCS review</b>	Records of refresher training reviewed for all crews including FAST 34 (Te Rongoroa Forest) on 28.10.16, Motu 901 (Orete Forest) on 15.7.16 and Sinton 14 (Kinleith Forest) 21.3.16
<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: 2015:4</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>	6.3.9
<b>Non-Conformity</b> (or Background/ Justification in the case of Observations): During the forest audit in the Nelson region, the auditors visited harvest sites in the Lee Valley (Chrome Creek) and found one instance where harvest debris had caused erosion at the edge of the log landing, also causing debris to be moved a short distance down the hill.	
<b>Corrective Action Request</b> (or Observation): HFM should carry out a review of harvest waste management to ensure that the approaches used to deposit or contain disturbed vegetation, soil or debris in each region are adequate for local environs to prevent (with the exception of major storm events): <ul style="list-style-type: none"> <li>• diversion, damming or blockage of any river or stream.</li> <li>• passage of fish being impeded.</li> <li>• destruction of any habitat in a waterbody or coastal water.</li> <li>• flooding or erosion.</li> <li>• downstream property damage.</li> </ul>	
<b>FME response</b> (including any evidence submitted)	HFM NZ has undertaken a review of slash management processes in all regions, including field inspections to confirm compliance. A full report summarising the review was provided to the auditors.
<b>SCS review</b>	Slash Management review undertaken in 2016 and report provided to auditors. This included a review of harvest planning process, slash management during harvesting and a field review of slash management in the different regions. The outcome of the review was that most slash movement was due to major storm events and that harvest waste management approaches used generally prevent adverse effects.
<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: 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 (refer also to 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)	
<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: 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)	
<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: 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 Rongoroa 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> (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: 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>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: 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
<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)	
<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	Forest industry groups and organizations
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Pertinent Iwi members and/or representatives	Contractors
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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"/> FME has not received any stakeholder comments from interested parties as a result of stakeholder outreach activities during this annual audit.	
Stakeholder comments	SCS Response
<b>Economic concerns</b>	
<b>Social concerns</b>	
Several stakeholders commented that HFM have been very responsive in relation to Health and Safety in their estate and are also very approachable when new ideas or processes need to be trialed.	The auditors confirmed during interviews with stakeholders throughout the audit process, that HFM definitely encourages and pursues best practices relating to Health and Safety within the FMU, and also saw instances where new technology has been employed or is being trialed for harvest operations.
Several stakeholders expressed concern with the lack of employment and contracting opportunity for locals	The auditors confirmed during interviews with harvesting contractors that most of the crews live within a 1.5 hour drive of the work sites. However interviews with Iwi also confirmed that they are not always aware of employment or contracting opportunities within the FMU.
<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
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		<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>	N/A			
<b>Number of FMU's in scope of certificate</b>	One			
<b>Geographic location of non-SLIMF FMU(s)</b>	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>				<b>Units:</b> <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac
privately managed		204,582		
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>				<b>Units:</b> <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) that are then further divided in districts that the forests are actually located in. Management is administered by regional offices.

## Production Forests

<b>Timber Forest Products</b>	<b>Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac</b>
Total area of production forest (i.e. forest from which timber may be harvested)	164,866
Area of production forest classified as 'plantation'	164,866
Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems	164,866
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 ha)	164,866
Shelterwood	0
Other:	0
Uneven-aged management	0
Individual tree selection	0
Group selection	0
Other:	0
<input checked="" 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 – Ginseng. 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	27,941 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,





			<p>Houpoto Swamp, Houpoto Forest, Eastern Bay of Plenty. Large scale wetland, assessed by Bay of Plenty Regional Council as a site of national significance.</p> <p>Rawea wetland, Torere Forest, Eastern Bay of Plenty. High quality wetland assessed by Bay of Plenty Regional Council as a site of national significance.</p>	65.4ha
<input type="checkbox"/>	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.		
<input checked="" type="checkbox"/>	HCV3	Forests or areas that are in or contain rare, threatened or endangered ecosystems.	<p>Pokapoka Stream wetland, Waiomio Forest, Northland. 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>83.6ha</p> <p>25ha</p> <p>442ha 97.1ha 76.4ha</p>
<input type="checkbox"/>	HCV4	Forests or areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).		

<input type="checkbox"/>	HCV5	Forests or areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		
<input checked="" type="checkbox"/>	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).	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.  Pohaturoa, Kinleith Forest, Waikato Region. Very important cultural site for Ngati Raukawa, Te Arawa and Tuwharetoa.	196.5ha 387.1ha 114.7ha 48.5ha 27.7ha          36ha
<b>Total Area of forest classified as 'High Conservation Value Forest/ Area'</b>				2,026 ha

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

<input type="checkbox"/> N/A – All forestland owned or managed by the applicant is included in the scope.		
<input checked="" 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>	HFM NZ manages some forest under one rotation Forestry Rights. Where it is anticipated that these areas will be converted by the landowner after harvest and handover, these areas have been excised from the certified forest area.	
<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 checked="" type="checkbox"/> ha or <input type="checkbox"/> ac)</b>
One rotation forestry rights within Kinleith Forest	Kinleith Forest – various one rotation forestry rights within Kinleith Forest where the landowners have indicated their intention to convert.	1,563

## 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>		
male workers : 1045	female workers: 84	
<b>Number of accidents in forest work since last audit</b>	<b>Serious: 25 (MTI's and LTI's)</b>	<b>Fatal: Nil</b>

### 8.2 Annual Summary of Pesticide and Other Chemical Use 2016

<input type="checkbox"/> FME does not use pesticides.				
Commercial name of pesticide / herbicide	Active ingredient	Quantity applied annually (kg or lbs)	Size of area treated during previous year	Reason for use
Cloralid 300	Clopyralid	230 litres	47 ha	Post-plant weed control
Cloram	Clopyralid/Picloram	86 litres	70 ha	Post-plant weed control
Glyphosate 510	Glyphosate	30,829 litres	4,061 ha	Pre-plant weed control
Haloxifop	Haloxifop	154 litres	78 ha	Post-plant weed control
Hexagran 750	Hexazinone	1,500 kg	1,089 ha	Post-plant weed control
Meturon	Metsulfuron	1,174 kg	3,791 ha	Pre-plant weed control
Terbuthylazine 500	Terbuthylazine	40,831 litres	3,335 ha	Post-plant weed control
Trichloram Brushkiller	Triclopyr/Picloram	502 litres	313 ha	Post-plant weed control
Valzine 500	Terbuthylazine/ Hexazinone	966 litres	279 ha	Post-plant weed control
Valzine Extra	Terbuthylazine/ Hexazinone	21,941 litres	1,478 ha	Post-plant weed control
Velpar 20G	Hexazinone	55 kg	11 ha	Post-plant weed control
Velpar DF	Hexazinone	6,915 kg	5,068 ha	Post-plant weed control
DAP	Nitrogen/ Phosphorus	6,408 kg	87 ha	Fertiliser
RPR	Phosphorus	112,291 kg	959 ha	Fertiliser
Triple Superphosphate	Phosphorus	238,171 kg	835 ha	Fertiliser
Ulexite	Boron	6,221 kg	156 ha	Fertiliser
Urea	Nitrogen	268,053 kg	739 ha	Fertiliser
Cuprous Oxide	Copper	10,947 kg	9,712 ha	Control of the fungus <i>Dothistroma septosporum</i>
Potassium Cyanide	Potassium Cyanide	27 kg	HFM NZ estate	Possum control
1080	Sodium fluoroacetate	4,190 kg	2,095 ha	Applied by OSPRI NZ for possum control
Feratox	Potassium cyanide	1.8 kg	3,407 ha	Applied by OSPRI NZ for possum control
Feracol	Cholecalciferol	184 kg	3,407 ha	Applied by OSPRI NZ for possum control

