	SGS QUALIFOR (Associated Documents)	Doc. Number:	AD 36A-16
		Doc. Version date:	24/12/2014
		Page:	1 of 41
		Approved by:	Gerrit Marais

1 SCOPE OF CERTIFICATE

The scope of the certificate falls within the Tropical Forest Zone and includes 4 of Forest Management Units (FMUs) as described below.

Summary of Areas for Database (DFA):

Type	Area (ha)
SLIMF	
Natural Forest – Conservation (All conservation areas regardless of vegetation or use type)	6,196
Natural Forest - Community Forestry	
Natural Forest - Tropical	
Natural Forest - Boreal	
Natural Forest - Temperate	
Plantations	28,817
Total:	35,013

Tenure <u>Ownership</u>		Indigenous Peoples as Tenure Owners	Tenure <u>Management</u>	
Private	X	X	Private	X
State			State	
Community			Community	

Tenure Management Type	Indicate all that apply
Concession	
Low Intensity	
Indigenous Peoples	
Small Producers	

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FOREST MANAGEMENT CERTIFICATION REPORT

SECTION A: PUBLIC SUMMARY

Project Nr:	210658-NZ		
Client:	Aratu Forests Limited		
Web Page:	https://aratuforests.co.nz/		
Address:	Level 2, 77 Peel St, 4010 Gisborne		
Country:	New Zealand		
Certificate Nr.	NZ20/81841282	Certificate Type:	Forest Management
Date of Issue	TBC	Date of expiry:	11 October 2021
Evaluation Standard	NZS AS 4708-2014		
Forest Zone:	Temperate		
Total Certified Area	35,013 ha		
Scope:	Forest Management of plantations in the East Coast, New Zealand for the production of softwood and hardwood timber.		
Location of the FMUs included in the scope	Gisborne		
Company Contact Person:	George Swanepoel		
Address:	Level 2, 77 Peel St, 4010 Gisborne		
Tel:	+64-21-847-391		
Fax	Fax +64-6-867 9775		
Email:	george.swanepoel@aratuforests.co.nz		
Main Evaluation			
Surveillance 1			
Surveillance 2	Transfer to SGS 28-30 Sep 2020		
Date the current version of the report was finalised	10 Oct 2020		
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ASSOCIATED DOCUMENTS (not part of the Public Summary)

AD 20:	Evaluation Itinerary
AD 21:	Attendance Record
AD 36-B:	Evaluation - Observations and Information on Logistics
AD 40:	Stakeholder Reports
	List of stakeholders contacted

Complaints and Disputes

Procedures for submitting complaints, appeals and disputes, and the SGS processing of such are published on <http://www.sgs.com/Forestry/>. This information is also available on request – refer contact details on the first page.

INTRODUCTION

The purpose of the evaluation was to evaluate the operations of Aratu Forests Limited against the requirements of the QUALIFOR Programme, the SGS Group's forest certification programme accredited by Forest Stewardship Council.

1. SCOPE OF CERTIFICATE

The scope of the certificate falls within the Temperate Forest Zone and includes 17 of Forest Management Units (FMUs) as described below.

Description of FMUs:				
Description	Ownership	Area (ha)	Longitude E/W	Latitude N/S
Rimuroa 1C	Forestry Right	32	177.527567839	-38.8258706046
Te Puna	Forestry Right	111	177.590050818	-38.8598984971
Ranganui	Forestry Right	122	177.863417564	-38.8419202643
Read	Forestry Right	138	177.44646963	-38.8711940507
Findlay	Freehold	116	177.887139739	-38.8946990868
Pohaturoa	Forestry Right	586	177.55489537	-38.8207612899
Mahurangi	Forestry Right	595	177.562999888	-38.8559738107
Kopua	Freehold	692	177.879051294	-38.8313438782
Whareongaonga	Freehold	844	177.870187798	-38.8535645464
Wakaroa	Freehold	1086	178.016437542	-38.4753974178
Mangarara	Freehold	1414	178.073946453	-38.433371232
Waimanu	Freehold	1549	178.101488353	-38.5736112925
Hineroa	Freehold	1298	177.768086813	-38.8876221859
Okiwa	Freehold	2317	178.065675879	-38.384249893
Huanui	Freehold	2561	178.029577106	-38.2968785821
Wairangi	Freehold	3678	177.910641717	-38.1283913012
Te Marunga	Freehold	6917	178.18192581	-38.2687357778

Note: For group schemes provide summary information above and the rest of the information in Annexure 1 at the end of the report.

Size of FMUs:		
	Nr of FMUs	Area (ha)
Less than 100ha	1	32
100 to 1000 ha in area	8	3461
1001 to 10000 ha in area	8	31520
More than 10000 ha in area		
Total	17	35 013

Total DEFINED FOREST Area (DFA) in the Scope of the Certificate that is:	
	Area (ha)
Privately managed	35 013
State Managed	0
Community Managed	0

Composition of the Certified Forest(s)	
	Area (ha)
Area of forest protected from commercial harvesting of timber and managed primarily for conservation objectives	3 345
Area of forest protected from commercial harvesting of timber and managed primarily for production of NTFPs or services	2 851
Area of forest classified as “high conservation value forest”	1072.8
Area of non-forest managed primarily for conservation objectives	-
Total area of production forest (i.e. forest from which timber may be harvested)	-
Area of production forest classified as “plantation”	28 817
Area of production forest regenerated primarily by replanting or coppicing	-
Area of production forest regenerate primarily by natural regeneration	-

Biodiversity and Cultural Values	
Description	Notes
RTE, s	In some places in our Forests: New Zealand Falcon (Karearea), Gecko's and Northern Long-tailed Bat
Plants	Kakabeak
All contractors receive annual training in RTE species, and also in FSC and PEFC requirements to protect the environment.	

List of Timber Product Categories				
Select one option for each field and delete what is not applicable. Please note: a separate line must be created for each separate Product class, Product type and Category:				
Product Class	Product Type	Trade Name	Category	Species
01010	Round wood	Saw log	Conifer	Pinus radiata
01010	Round wood	Saw log	Conifer	Pseudotsuga menziesii

Annual Timber Production				
Species (botanical name)	Species (common name)	Area (ha)	Maximum Annual Sustainable Yield (m ³)	
			Projected	Actual
Pinus radiata (2019/2020)	Radiata pine	24064	800 000	628 262
Totals			800 000	628 262

Approximate Annual Commercial Production of Non-Timber-Forest-Products				
Product	Species		Unit of measure	Total units
	Botanical Name	Common Name)		
			M ³	0

Commercial Name of Pesticide	Active Ingredient	Year	Area of application ^{*1} (ha)	Amount used ^{*2} (litre)	Reason for use
Terbuthylazine	Terbuthylazine	SA01			
		SA02	1038	4015	Crop protection
Valzine Broadcast Granule	Hexazinone	SA01			
		SA02	1016	752	Crop protection,
Meturon	Metsufuron methyl	SA01			
		SA02	1392	122 kg 20 kg	Crop protection, No Area – Allocated (Direct to Forest – Road Spraying)
Polyether	Polysiloxane	SA01			
		SA02	1392	420 70	Crop protection, No Area – Allocated (Direct to Forest – Road Spraying)
Glyphosate 510	Glyphosate 510 g/l	SA01			
		SA02	1488	4268	No Area – Allocated (Direct to Forest – Road Spraying)

2. COMPANY BACKGROUND

2.1 Ownership Company History and Use Rights

In July 2019, Hikurangi Forest Farms was purchased by New Forests, an Australian-based, international and sustainable forestry investment manager, on behalf of its institutional investment clients. The company was renamed Aratu Forests Ltd on 1 July 2019.

AFL owns or manages 17 separate forests spread over a large geographic range but within 100km of Gisborne, extending from Anaura Bay in the North to the Raukumara Ranges in the West, to Te Reinga in the South.

Forests comprise a combination of:

- Leasehold (Whareongaonga)
- Forestry Rights (6 -Mahurangi, Pohaturoa, Rimuroa1C, Te Puna, Ranganui and Reads)
- Freehold

2.2 Organisational Structure

Aratu directly employs 26 staff and engages the services of over 200 contracted workers. This workforce provides services such as land preparation, planting, tending, measurement, road construction & maintenance, harvesting and log transportation.

Aratu currently employs:

- 9 harvesting crews,
- 3 transport contractors,
- 1 marshalling and stevedoring contractor
- 4 silvicultural contractors.
- Contractor workforce totals about 200 people

2.3 Legislative, Administrative and Land Use Context

The forest management enterprise operates within the framework of the New Zealand legal and commercial system. The legislation is described in Section 6

Central government agencies involved are the Ministry of Business Innovation and Employment (MBIE), which administers the Health and Safety in Employment legislation, and monitors compliance with the HSNO Act regulations. The Department of Conservation, a neighbour in many parts of the country and which administers the Wild Animal Control Act and the Conservation Act; Heritage NZ administers the Historic Places Act. The Biosecurity Act is administered by the Animal Health Board and Ministry of Primary Industries (MPI) Biosecurity.

Territorial government administration is through the various Regional and District Councils in regions where the company operates. These councils administer the Resource Management Act and issue resource consents for specific activities regarding soil and water. Some local District Councils administer aspects of local infrastructure especially rural roads.

2.4 Other Land Uses

Non-forestry activities in the regions under review encompass the whole range of rural activities in New Zealand. The certificate holder is a forestry company and does not participate in other activities.

Forests in the area evaluated are subject to varying recreational demands from local communities. These demands typically may include access for mountain biking, tramping, walking, hunting, etc.

2.5 Non-certified Forests – N/a

2.6 Company Key Objectives:

Objective	Notes
Commercial	
Commercial production of logs and log derived products	
Social / Cultural	
Biodiversity and increasing of nature values	
Environmental	
Soil and Erosion control	

3. FOREST MANAGEMENT SYSTEM

3.1 Bio-physical setting

The large geographic range and long steep slopes which make up most of the resource give rise to large climatic and topographical gradients. Decisions around land use will increasingly take these factors into consideration. The total land area managed by AFL is made up of several land use described below:

Aratu Forests Limited Land Uses (as at June 2020)

Land use category	Area (ha) June 2019	Area (ha) June 2020
Farmland or Forest used by Neighbours (Give)	234	278
Landbank-potentially plantable next rotation	3093	3272
Native Includes Reserves	4477	4201
Planned planting	1040	1359
Plantation- to legal boundary	24000	23887
Protection planting willows/Amenity Riparian	154	187
Transport Roads Landings	1280	1482
Unplantable Steep Inaccessible	620	721
Utility inclusive- Fire store & Optilog	110	121
Water Bodies	101	203
Grand Total	35109	35711
Take Area	4	178

Geography:

Gisborne - Located within the Gisborne Wairoa Districts extending from the upper reaches of the Waimata Valley north of Gisborne to the Cricklewood Road region to the south of the Wairoa Township. From rolling to steep hill country. Complex hill country underlain by siltstones, sandstone and limestones. Soils are a complex of steepland soils and leached podsolised volcanic ash soils.

Ecology:

The region is sheltered by high country to the west. Gisborne enjoys a Temperate oceanic climate (Cfb - Köppen climate classification) with warm summers and cool winters, temperatures rarely drop below 0 °C (32 °F) and occasionally rise above 30 °C (86 °F) with a yearly average of 2,200 sunshine hours. The annual rainfall varies from about 1000 mm near the coast to over 2500 mm in higher inland country. According to the NIWA dataset for 1981–2010 normals, Gisborne narrowly edged several other cities to have the warmest summer maxima of official stations.^[30] Winters are slightly cooler than more northerly areas, rendering that over the course of the calendar year, Gisborne is not the warmest station of the country.¹ Even summertime mean temperatures are lower than northerly areas in spite of the highs due to the cooler nights. In spite of this, yearly mean temperatures are still some way above average for New Zealand as a whole.

Plantation forest areas were predominantly established on sites originally cleared of forest for farmland. However small remnants of original or regenerating native forest are present scattered though the plantation areas, particularly in riparian areas. The original forest or regenerating areas are generally confined to the steepest, hardest sites, normally the deeply incised gullies where the original land clearing fires did not effectively burn.

Soils:

Soil type varies depending on locality. However, most can be classed as thin non-marine conglomerates or sandy loams. Yellow-grey earths are present with pumice at some sites. In general, they are moderately weathered and moderately leached. Erosion may be a hazard.

Soils in the two districts are regarded as ideal for plantation forestry. They are generally low in natural fertility, may have trace element deficiencies, have supported a forest cover in the past and a number of organisations and private individuals are growing plantation forests in the area.

3.2 History of use

When Maori arrived in New Zealand, possibly over 1,000 years ago, the country was three quarters covered in forest. Subsequently, about one third was cleared by fire, either deliberate or accidental. The arrival of

European settlers in New Zealand, from the 1850's onwards, saw the rapid removal of about half the remaining forest cover through land clearance for agriculture and settlement, and unsustainable logging. It is estimated that of the forests removed by European settlers, probably less than 10% was utilised, and the rest was burnt.

By the 1870's, concerns about the future wood supply forced the Government to seek expert forestry opinion about the future of the forest resource. The resulting report and the first Forests Act (1874) led to the establishment by the State of three small plantation areas in the early 1900's. Continued concern about dwindling indigenous forest resources continued and a Royal Commission inquired into the state of forestry in 1913. After World War 1, a State Forest Service was established in 1919. Planning for large exotic forests commenced, and planting began soon after. A major depression in the 1930's meant that manpower for planting became available and contributed to a boom in planting of exotic species up to 1935. By this stage about 125,000 ha of plantations had been planted. Since then, two major planting booms have occurred in the 1970's and in the mid 1990's. This has resulted in the establishment of a total plantation forest area of about 1.8 million ha. This resource is dominated by radiata pine (90%) with significant areas of Douglas fir (5 %).

In the early 1980s approximately half the exotic plantation forests were owned by the State through the NZ Forest Service. However, in 1987, the Government abolished the NZ Forest Service, and subsequently moved to sell long term cutting rights to the state forests. There are now only small areas of plantation forest in government ownership, with around 97% of the resource privately owned. Ownership structure is relatively diverse and includes major offshore ownership. There are 19 large forest-owning companies, each owning a minimum of 11,000 ha.

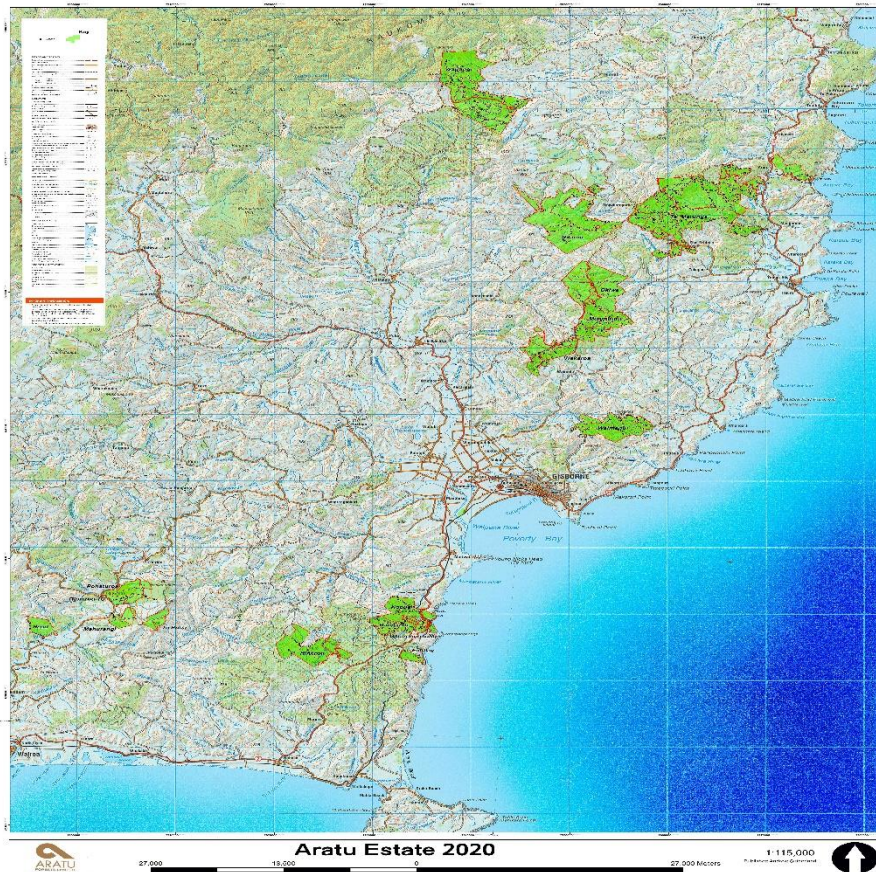
Over the period that plantation forest areas have been expanding in New Zealand, the area of land permanently reserved under government control has also been gradually increasing. Currently around 28% of New Zealand's land area is held, under various tenures, as reserves or national parks for protection of their natural values although much of this area is steep or mountainous, and there are significant deficiencies in the lowlands.

The East Coast forestry programme was initiated for the same reasons. There are now several other large forestry companies with estates in this region, and the Government has continued to offer financial incentives for planting on erosion-prone land.

3.3 Planning Structure

By July 2020 AFL employed 26 full time staff across Planning, IT, Finance, Forestry, Harvesting, Administration, Engineering and subsidiary roles; AFL also employ numerous contract crews who employ approximately a further 200 people, however this figure varies seasonally. AFL is an equal opportunity employer.

Planning is done by the staff members in conjunction with contractors – all operations have the same process – planning, execution and post operations check.



3.4 Planning process

Sustainability is the key focus of management practices at AFL. The level of sustainable cut is carefully derived with the use of modelling tools over a number of different scenarios. The progressive increase in harvest to the current level of cut has been a primary driver in the future forecasting of labour resources for both forestry and harvesting operations.

The AFL sustainable cut is a long-term undertaking with a goal to achieve a consistent economically and socially achievable sustainable annual cut given our current constraints. The current ideal annual cut (economically) shows significant highs and lows as per the current age class. To try to level this out too early results in areas that will increase in age to a point where it is no longer economical to harvest, this in turn further disrupts (and reduces) the long-term sustainable cut goal options.

Therefore, in the short- and medium-term AFL sustainable cut options need to be higher than what will be achievable in the longer term due to the current uneven age class distribution. The long-term goal is to even this out as much as possible while maintaining a clear focus on the long-term goal of consistent and economically and socially achievable sustainable annual cut.

AFL have strategic or long-term plan of 60 years – then a 10 year cut plan – 5 year harvest plan and annual budget base on monthly or weekly operations and activities.

The modelling tool TigerMoth is used to analyse yield tables and financial information to derive long-term sustainable cut options and produce valuation models for the estate. Yield tables are derived from the latest forest inventory data and updated on an annual basis. Additional constraints such as harvest age and maximum and minimum allowable annual harvest volumes are inputted to avoid huge spikes and dips. Modelling outputs determine the ideal annual cut for the current and subsequent rotations. Multiple scenarios are required to determine the most apt option to achieve a more even age class and the long term goal of an achievable and consistent sustainable cut into the future without too much compromise in the short-medium term, and without large spikes and dips in the annual cut short or long term.

The 2017/2018 New Zealand Forest Industry Facts and Figures has stocked plantation forest area for the East Coast at 154,149 hectares. AFL contributes about 25,000 hectares (or 16%) of this area.

The AFL resource is high quality with the vast majority having undergone intensive silvicultural regimes to produce high quality pruned butt-logs and large sawlogs.

Currently approximately 97% of logs are exported via Gisborne Port. The remaining 3% is a portion of the pruned log volume which is sold domestically supplying local sawmills.

3.5 Harvest and regeneration

AFL forests have been established on relatively fertile ex-farm sites. This combined with a warm climate and moderate rainfall (1000-1500mm) provides ideal growing conditions for Radiata Pine (*Pinus radiata*) in most circumstances. Radiata pine is the most dominant species in the AFL resource. Short rotations (25 -32 years) established management practices and versatile end use potential are also positive influences on its choice.

Radiata pine continues to be the species selected for establishing most AFL sites. However, there are notable exceptions in the estate where radiata pine is not the ideal species of choice.

The very large environmental gradients promoted by the steep terrain often mean that altitude is a major consideration in the choice of species. The north island altitudinal limit for radiata pine is around 700m above sea level, although in sheltered environments this can probably be increased slightly. Above this point AFL has chosen the species Douglas Fir (*Pseudotsuga menziesii*) as an alternate species to *P. radiata*. *D. fir* has a greater tolerance for higher altitudes (N.I. limit is around 1000m) and the weather associated with these higher altitudes, and as such is the dominant species for the higher altitude forests. Wairangi forest is where the majority of this high-altitude land exists and therefore contains all of the Douglas fir resource.

Although 98% of the AFL forest resource is Radiata Pine and Douglas fir, AFL also has a variety of other species growing. These are primarily Eucalyptus (*Eucalyptus regnans*, *Eucalyptus saligna*) and Cypress (*Cupressus lusitanica*, *Cupressus macrocarpa*) planted before the forests were sold by Fletcher Forests in 1997. Although none of these are considered primary species in current planting programs, mainly for economic reasons, the existing resource is being actively tended and will eventually be targeted for sale as special purpose species suited to specific end-uses.

AFL Regime Objective: To expose stands to proven establishment and silviculture practices that add value to the standing crop and maximise return at the end of the rotation.

The establishment and silvicultural regimes employed by AFL are well proven management practices established over the history of plantation forestry in New Zealand. AFL is proactive in exploring and implementing new management practices or regime protocols if there is proven economic benefit.

To keep current with regime updates, AFL belongs to several key forest industry research cooperatives in conjunction with Scion in Rotorua. AFL also actively seeks audience with other forestry companies to determine their best practice guidelines and incorporate them into management practices. With the recent move towards establishing second rotation plantation instead of new land, AFL has spent field days with other forestry companies to observe their management practices in this regard.

AFL is proactive in the use of growth monitoring plots, forest inventories and validation (of modelling tools) to monitor establishment and silvicultural systems and enable regime changes where necessary.

Good Quality Genetic Stock- There is now a wide array of different genetics available for radiata pine that produce crops of differing characteristics. As a matter of course AFL will plant stock with good genetic characteristics with preference given to increased basic density and disease resistance.

Cut-off Times for Planting Blocks - All AFL stands must be re-planted within 18 months of harvest completion within that stand. Successive planting of the second rotation is done within a relatively short timeframe to not only reduce the risk of erosion and increase protection and stability of our forest estate but to also reduce the risk of infestation for example by the Hylastes beetle which are attracted to the turpentine in the freshly cut stumps and slash. However, sometimes small pieces of large blocks harvested after this time may be established if it is close to harvesting completion or to take it to logical boundaries. Harvesting cooperates with Forestry Operations on the availability of blocks for planting each season.

Site Preparation and Planting Considerations - Before planting takes place, some site preparation is necessary. This usually involves an aerial herbicide application to kill any emergent weeds, particularly natural regeneration, therefore preventing competition to newly planted seedlings.

To prevent soil loss from the site and to prevent the germination of further unwanted plant species, particularly natural regeneration, AFL employs an active oversowing program with various beneficial grass species. This also has the added plus of minimising the amount and toxicity of chemical applied when it comes to releasing operations.

Releasing Considerations- Currently all new radiata pine planting is on cutover that has been through land preparation requiring relatively low dosages of low toxicity chemicals for releasing operations as grass is usually the primary weed species. Releasing from weed competition is done through precise spot spraying application only.

Tending Considerations & Maximal Value- The intensive tending regimes (made up primarily of 3 prunes and 2 thins) are designed to produce large straight butt-logs with a high volume “clearwood” sheath. These logs command a premium price in many markets because they are straight and free of knots or defects. The final crop stocking of 300 stems per hectare is at a level that maximises the chance of increased diameter in the butt-log but keeps large branching in the top logs to appropriate levels.

The rationale behind producing stands with 90% of stems pruned to 6.5m or greater is so that a large 6.1m pruned butt-log can be cut out of nearly every tree. The length dimension of 6.1m is generally the longest length that this log grade sold in. Therefore, in theory the maximum value can be realised.

Road and Landing Construction

AFL is harvesting the first rotation of forest thus there is a large amount of new forward road construction required. Harvesting the road line “corridors” to facilitate construction of roads is done primarily with ground-based harvesting systems (skidders and bulldozers).

Soils in the East Coast are geologically young and often highly erodible thus very sound road construction practices such as good compaction and drainage systems have to be observed.

The environmental guidelines for road construction and harvesting are covered in the *AFL (AFL) Roading Manual and supported by the NZ Forest Road Engineering Manual, Planning Notes, and Resource Consent documents*.

Cable Systems

Due to the steep terrain and long slopes the primary clear fell harvest systems are skyline cable systems. Ground-based logging is often more cost effective and will be used on areas that are suitable (flat to undulating slope and not constrained by environmental conditions such as being prone to compaction, very wet or sensitive waterways).

Cable logging systems also provide:

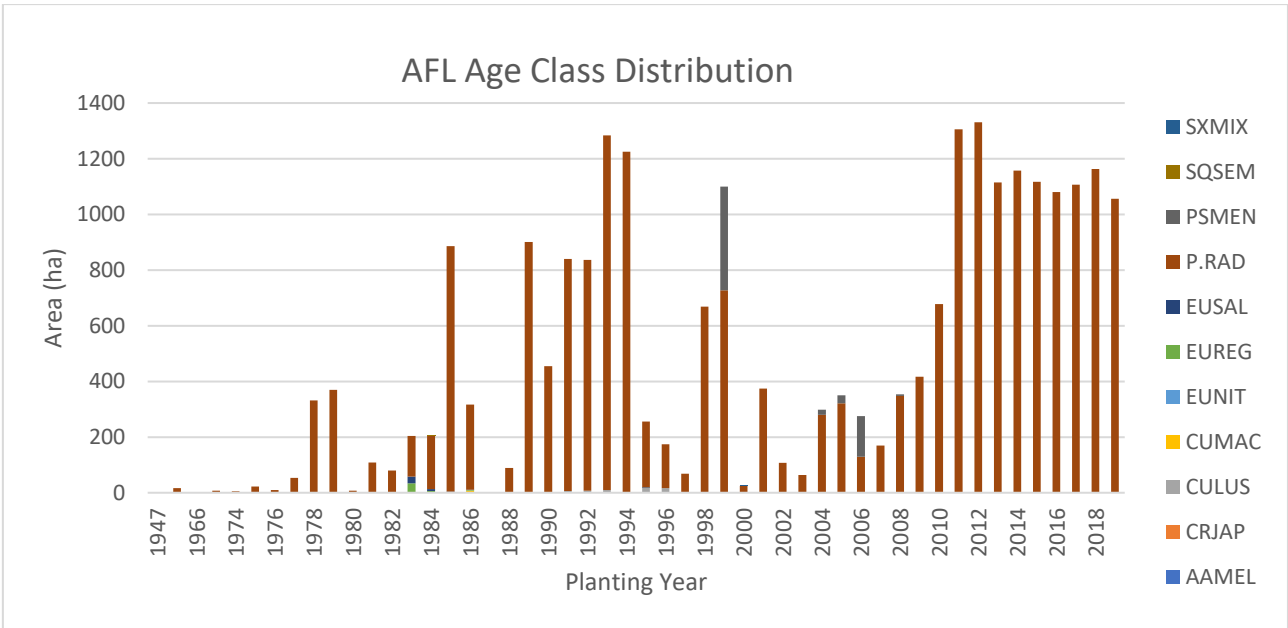
- Minimal disturbance to steep erodible sites.
- They can be used from high vantage points minimising construction of road infrastructure (this maintains water quality and minimises site disturbance).
- They allow access to otherwise inaccessible areas.

Harvesting configurations in use include swing yarders 70, 85' and 100' tower skyline haulers. This mix of equipment provided ability to mix and match tower height and/or hauler and cable system capability to best suit the terrain, harvest plan, environmental, health & Safety constraints and financial objectives.

Full Stem Extraction

Each logging crew extract pre-felled trees to a processing area where the full stems are delimbed and processed to the grade and length requirements. The logs are carted away with fleet of logging trucks to the Port or off Port storage facilities for the export grades and direct to customer for domestic supply.

All loads are weighed before delivery and all export loads are ticketed JAS scaled to retain their source information.



3.6 Monitoring processes

Monitoring outcomes are reviewed in conjunction with relevant management processes and implemented and updated as required. Results from monitoring data provide input to management planning processes.

AFL actively monitors the following social, environmental and financial practices.

- Establishing Relevant Baseline Information
- Establishment and Silviculture Regime
- Growth
- Stand Dynamics, Yield and Product Out Turn
- Forest Health
- Access
- Contract Workforce
- Forest Security
- Health and safety
- Environmental and Social
- Degraded Forests
- Effectiveness of Monitoring
- Review and Feedback
- Compliance

Results from monitoring will be used to update documents and inform future planning operations using the following procedure.

1. ANALYSE outcomes of monitoring and summarise
2. REVIEW and record any changes required on the Review Form
3. SEEK approval for changes and updates
4. IMPLEMENT necessary changes to management processes and planning

4. SOCIO-ECONOMIC AND ENVIRONMENTAL CONTEXT

	Male	Female
Number of own workers	24	2

Number of contract workers	220	43
Minimum daily wage for agricultural/forestry workers	Minimum hourly rate in NZ is \$18.90	
Infant mortality rates (under 5 years)	3.8/1000 live births (2018 stats)	
Proportion of workers employed from the local population (%)	100%	

4.1 Nationalities, ethnic and cultural groups

Gisborne Region:

60.8 percent of people in Gisborne Region belong to the European ethnic group, compared with 74.0 percent for New Zealand as a whole.

48.9 percent of people in Gisborne Region belong to the Māori ethnic group, compared with 14.9 percent for all of New Zealand.

4.2 Community Structures

Gisborne Region

The median age (half are younger, and half older, than this age) is 37.0 years for people in Gisborne Region. For New Zealand as a whole, the median age is 38.0 years.

14.0 percent of people in Gisborne Region are aged 65 years and over, compared with 14.3 percent of the total New Zealand population.

24.6 percent of people are aged under 15 years in Gisborne Region, compared with 20.4 percent for all of New Zealand.

4.3 Social complexities

Social Impact Assessments (SIA) is an important management tool used to reduce business risk and maintain good relationships within the community. The AFL Social Impact Assessment Management Plan outlines how the level of SIA undertaken will be determined by the scale of the operation, its location and the number of community members affected. Some AFL Operations have the potential for high social impacts, such as harvesting, earthworks and aerial spraying, and therefore may require a more detailed assessment

In late 2018, post the June 2018 storm event an external SIA was undertaken to gauge the impact on the Tolaga Bay community, and give AFL insight of where to focus improvements to forest management practices. The SIA report was received mid-August 2019, in summary recommendations include:

- Let very steep slopes revert to native
- Increase buffers along waterways
- Improve slash management
- Improve practices i.e. avoid clearfell of large areas in vulnerable areas
- Stronger consent monitoring
- Involve Iwi and the wider community in planning and monitoring, (especially waterways).

AFL is committed to the implementation of these recommendations and good progress was made to date.

4.4 Employment

Gisborne Region

The unemployment rate in Gisborne Region is 8.1 percent for people aged 15 years and over, compared with 4.6 (2017) percent for all of New Zealand.

The most common occupational group in Gisborne Region is 'labourers', and 'professionals' is the most common occupational group in New Zealand.

5. BIO-PHYSICAL ENVIRONMENT

Plantation forestry on the East Coast has several environmental limitations, but most are related to the large, steep slopes and rugged nature of the topography.

Slope Factors

The Eastland region is known for its long steep hill slopes and young soils which can be prone to erosion under certain conditions. Adding to this is the high altitude of some of the AFL. Collectively these factors mean access to some areas is difficult, especially during winter when carriageways can become wet, slippery and impassable. Weather conditions can also become very adverse in places with high winds and snowfalls regular features of the higher ground particularly.

The original catalyst for the shift to forestry as a land-use on the East Coast, including much of the Aratu Forests Limited estate, was for stabilisation of these steep-land soils particularly after the impact of extreme weather events such as Cyclone Bola in 1988. Erosion of farmland resulting in loss of productivity and diminishing water quality in catchments and rivers has led to the planting of forests to mitigate these effects.

Construction Limitations

However, the large steep nature of the terrain and soft soils causes challenging conditions for road construction and forest harvesting. Much of the road construction needs to be ridge-top construction and a great deal of investment is made in accessing and securing sources of good road metal which is often in short supply. Harvesting systems, as you would expect, are mainly cable logging systems which can access the steep terrain and minimise the environmental impact during harvesting operations.

Localised weather conditions

The steep slopes and ridges give rise to well-defined catchments that often have localised weather conditions. Flash flooding can arise as a result of this although forest canopies often have a positive effect on this as they serve as an intercept during major rainfall events and tree roots bind the soil together.

Consideration of Environmental Impact

Environmental impacts are considered and assessed prior to any site disturbing activity such as harvesting or earthworks operations. This is undertaken in conjunction with harvest planning and resource consent applications. Resources consents are required for any site disturbing activity and it is important that potential impacts and mitigation measures are addressed; AFL operations are undertaken using industry best practice and strictly follow the AFL Environmental Management System (EMS).

5.1 Administration, Legislation and Guidelines

The following table lists the key national legislation, regulations, guidelines and codes of best practice that are relevant to forestry in the commercial, environmental and social sectors. This list does not purport to be comprehensive, but indicates information that is key to the forestry sector.

The following table lists the key national legislation and its relevance to Aratu Forests Ltd operations

The following table lists the key national legislation, regulations, guidelines and codes of best practice that are relevant to forestry in the commercial, environmental and social sectors. This list does not purport to be comprehensive, but indicates information that is key to the forestry sector.

A.	NATIONAL LEGISLATION
	Legal Rights to Harvest: <ul style="list-style-type: none"> • Land tenure and management rights • Concession licenses • Management and harvest planning
1.	Treaty of Waitangi Act 1975
2.	Resource Management Act 1991
3.	Forests Act, 1949
4.	Conservation Act 1987
5.	Crown Forests Asset Act 1989
6.	Forestry Encouragement Act 1962
7.	Forestry Rights Registration Act 1983
8.	Local Government Act 2002

9.	Public Works Act 1981
10.	Commerce Act 1986
11.	Companies Act 1993
12.	Trespass Act 1980
13.	Cooperative Companies Act 1996
14.	Crown Minerals Act 1991
15.	Income Tax Act 2007
16.	Overseas Investment Act 2005
17.	Walking Access Act 2008
18.	Te Turi Whenua Maori Act 1993
19.	Fencing Act 1978
20.	Historic Places Act 1993
	Taxes and Fees <ul style="list-style-type: none"> • Payment of royalties and harvesting fees • Value added and sales taxes • Income and profit taxes
21.	Minimum Wage Act 1983
22.	Workplace Relations Act 2000
23.	Employment Relations Act 2000
24.	Accident Compensation Act 2001
25.	Holidays Act 2003
26.	Treaty of Waitangi Act 1975
27.	Overseas Investment Act 2005
28.	Income Tax Act 2007
29.	Cooperative Companies Act 1996
30.	Companies Act 1993
31.	Commerce Act 1986
32.	Forestry Rights Registration Act 1983
33.	Crown Forests Asset Act 1989
34.	Forestry Encouragement Act 1962
35.	Forestry Encouragement Loans Regulations 1967
36.	Forests Act, 1949
	Timber Harvesting Activities <ul style="list-style-type: none"> • Timber harvesting regulations • Protected sites and species • Environmental requirements • Health and safety • Legal employment
37.	Health & Safety at Work Act 2015
38.	Forest and Rural Fires Act 1977

39.	Fire Service Act 1975 as Amended 1990
40.	Hazardous Substances and New Organisms Act 1996
41.	Wildlife Act 1953
42.	Wild Animal Control Act 1977
43.	Biosecurity Act 1993
44.	Climate Change Response Act 2002
45.	Misuse of Drugs Act 1975
46.	Transport Act 1962
47.	Forest and Rural Fires Regulations 2005
48.	Forest Disease Control Regulations 1967
49.	Climate Change (Forestry Sector) Regulations 2008
50.	The New Zealand Forest Accord, 1991
51.	New Zealand Forest Code of Practice, June 1993
52.	Code of Practice for the Management of Agrichemicals, 2004. (NZS8409:2004)
53.	Safety and Health in Forestry Operations: Code of Practice and Best Practice Guidelines
54.	Principles for Commercial Plantation Forest Management in New Zealand, 1995
55.	NZ Environmental Code of Practice for Plantation Forestry, 2007
56.	N.Z. Threat Classification system (2005)
57.	Ecological Regions and Districts of NZ
58.	Treaty of Waitangi Act 1975
59.	Holidays Act 2003
60.	Accident Compensation Act 2001
61.	Employment Relations Act 2000
62.	Workplace Relations Act 2000
63.	Minimum Wage Act 1983
64.	Fencing Act 1978
65.	Historic Places Act 1993
66.	Walking Access Act 2008
67.	Income Tax Act 2007
68.	Forestry Rights Registration Act 1983
69.	Forests Act, 1949
70.	Resource Management Act 1991
	Third Party Rights
	<ul style="list-style-type: none"> • Customary rights • Free prior and informed consent (FPIC) • Rights of indigenous peoples
71.	Treaty of Waitangi Act 1975
72.	Fencing Act 1978
73.	Historic Places Act 1993
74.	Resource Management Act 1991
75.	Walking Access Act 2008

76.	Forestry Rights Registration Act 1983
77.	Forests Act, 1949
78.	Trespass Act 1980
	Trade and Transport
	<ul style="list-style-type: none"> • Classification of species, quantities, qualities • Trade and transport • Offshore trading and transfer pricing
79.	The New Zealand Forest Accord, 1991
80.	Forests Act, 1949
81.	Transport Act 1962
82.	Forest Produce Import & Export Regulations 1989
	Custom regulations
83.	The New Zealand Forest Accord, 1991
84.	Forests Act, 1949
85.	Biosecurity Act 1993
86.	Customs and Excise Act 1996.
87.	Forest Produce Import & Export Regulations 1989
	CITES
88.	Convention on the International Trade in Endangered Species (CITES)
	Other
89.	Not applicable at this stage. All relevant legislation has been stated.
B.	REGULATIONS PERTINENT TO FORESTRY RELATED TO AND EMERGING FROM NATIONAL LEGISLATION AND OTHER LEGISLATIVE INSTITUTIONS:
90.	The New Zealand Forest Accord, 1991
91.	New Zealand Forest Code of Practice, June 1993
92.	Forest Produce Import & Export Regulations 1989
93.	Ecological Regions and Districts of NZ
94.	N.Z. Threat Classification system (2005)
95.	NZ Environmental Code of Practice for Plantation Forestry, 2007
96.	Principles for Commercial Plantation Forest Management in New Zealand, 1995
97.	Code of Practice for the Management of Agrichemicals, 2004. (NZS8409:2004)
98.	Safety and Health in Forestry Operations: Code of Practice and Best Practice Guidelines
99.	Forests Act, 1949
100.	Forestry Rights Registration Act 1983
101.	Resource Management Act 1991
102.	Forestry Encouragement Loans Regulations 1967
103.	Forest Disease Control Regulations 1967
104.	Forest and Rural Fires Regulations 2005
105.	Forest and Rural Fires Act 1977
C.	INTERNATIONAL AGREEMENTS PERTINENT TO FORESTRY
106.	Convention on Biological Diversity

107.	Convention on the International Trade in Endangered Species (CITES)
108.	IUCN Red List of threatened species
109.	ICOMOS New Zealand Charter, 1993
110.	Kyoto protocol
111.	ITTA
112.	International Labour Organisation (ILO) conventions: <ul style="list-style-type: none"> • 29 Forced Labour Convention, 1930. • 87 Freedom of Association and Protection of the Right to Organise Conventions, 1948. • 97 Migration for Employment (Revised) Convention, 1949. • 98 Right to Organise and Collective Bargaining Convention, 1949. • 100 Equal Remuneration Convention, 1951. • 105 Abolition of Forced Labour Convention, 1957. • 111 Discrimination (Occupation and Employment) Convention, 1958. • 131 Minimum Wage Fixing Convention, 1970. • 138 Minimum Age Convention, 1973. • 141 Rural Workers' Organizations Convention, 1975. • 142 Human Resources Development Convention, 1975. • 143 Migrant Workers (Supplementary Provisions) Convention. 1975 • 155 Occupational Safety and Health Convention, 1981. • 169 Indigenous and Tribal Peoples Convention, 1989. • 182 Worst Forms of Child Labour Convention, 1999. • ILO Code of Practice on Safety and Health in Forestry Work (ILO 1998) • Recommendation 135 Minimum Wage Fixing Recommendation, 1970. • ILO Declaration on Fundamental Principles and Rights at Work, 1998
D.	LOCAL STANDARDS AND BEST OPERATING PRACTICES
113.	The New Zealand Forest Accord, 1991
114.	New Zealand Forest Code of Practice, June 1993
115.	Code of Practice for the Management of Agrichemicals, 2004. (NZS8409:2004)
116.	Safety and Health in Forestry Operations: Code of Practice and Best Practice Guidelines
117.	Principles for Commercial Plantation Forest Management in New Zealand, 1995
118.	NZ Environmental Code of Practice for Plantation Forestry,2007
119.	N.Z. Threat Classification system (2005)
120.	Ecological Regions and Districts of NZ

6. CHANGES IN MANAGEMENT, AREA , HARVESTING, SILVICULTURE AND MONITORING

The following table shows significant changes that took place in the management, monitoring, harvesting and regeneration practices of the certificate holder over the certificate period.

Description of Change	Notes
SURVEILLANCE 1	

Description of Change	Notes
SURVEILLANCE 2	
Surveillance 2 was done from 28 to 30 Sep 2020 and was a transfer from another CB to SGS NZ	

7. PREPARATION FOR THE EVALUATION

7.1 Schedule

This is a transfer surveillance of forest management units that have been certified since 2 oct 2018.

7.2 Team

The table below shows the team that conducted the main evaluation and the independent specialist(s) that were selected to review the main evaluation report before certification is considered.

Evaluation Team	Notes
Team Leader	Has a Bachelor of Forestry Science, 10 years' experience in forestry and forestry certification regionally and nationally, 269 days FM auditing, speaks local language and Spanish
Team member	Forest Engineer, 7 years' experience in forestry and forestry certification, 150+ days auditing experience, speaks local language and Spanish.

7.3 Checklist Preparation

A checklist was prepared that consisted of the documents listed below. This checklist was prepared using the PEFC-endorsed national or regional standard.

Standard Used in Evaluation	Effective Date	Version Nr	Changes to Standard
NZS AS 4708:2014 New Zealand Standard Sustainable Forest Management	23 Aug 2013	1	n/a

7.4 Stakeholder notification

A wide range of stakeholders were contacted 6 weeks before the planned evaluation to inform them of the evaluation and ask for their views on relevant forest management issues, These included environmental interest groups, local government agencies and forestry authorities, forest user groups, and workers' unions. Responses received and comments from interviews are recorded at the end of this Public Summary.

8. THE EVALUATION

The Main Evaluation was conducted in the steps outlined below.

8.1 Opening meeting

An opening meeting was held at Gisborne – New Zealand. The scope of the evaluation was explained, and schedules were determined. Record was kept of all persons that attended this meeting.

8.2 Document review

A review of the main forest management documentation was conducted to evaluate the adequacy of coverage of the QUALIFOR Programme requirements. This involved examination of policies, management plans, systems, procedures, instructions and controls.

8.3 Sampling and Evaluation Approach

A detailed record of the following is available in section B of the evaluation report. This section does not form part of the public summary, but includes information on:

- Sampling methodology and rationale;
- FMUs included in the sample;
- Sites visited during the field evaluation; and
- Man-day allocation.

8.4 Field assessments

Field assessments aimed to determine how closely activities in the field complied with documented management systems and QUALIFOR Programme requirements. Interviews with staff, operators and contractors were conducted to determine their familiarity with and their application of policies, procedures and practices that are relevant to their activities. A carefully selected sample of sites was visited to evaluate whether practices met the required performance levels.

8.5 Stakeholder interviews

Meetings or telephone interviews were held with stakeholders as determined by the responses to notification letters and SGS discretion as to key stakeholders that should be interviewed. These aimed to:

- clarify any issues raised and the company’s responses to them;
- obtain additional information where necessary; and
- obtain the views of key stakeholders that did not respond to the written invitation sent out before the evaluation.

Nr of Stakeholders contacted	Nr of Interviews with		
	NGOs	Government	Other
MAIN EVALUATION			
SURVEILLANCE 1			
SURVEILLANCE 2			
76	3	2	71

Responses received and comments from interviews are recorded under paragraph 14 of this Public Summary.

8.6 Summing up and closing meeting

At the conclusion of the field evaluation, findings were presented to company management at a closing meeting. Any areas of non-conformance with the QUALIFOR Programme were raised as one of two types of Corrective Action Request (CAR):

- ❑ Major CARs - which must be addressed and re-assessed before certification can proceed
- ❑ Minor CARs - which do not preclude certification, but must be addressed within an agreed time frame, and will be checked at the first surveillance visit

A record was kept of persons that attended this meeting.

9. EVALUATION RESULTS

Detailed evaluation findings are included in Section B of the evaluation report. This does not form part of the public summary. For each QUALIFOR requirement, these show the related findings, and any observations or corrective actions raised. The main issues are discussed below.

9.1 Findings related to the general QUALIFOR Programme

For “Weaknesses” please refer to the list of corrective action requests (CAR) under section 12 and observations under section 13 of this report.

General Requirements

0.1 DEFINED FOREST AREA	
1.	The forest manager shall define the area of forest to which the Standard applies and demonstrate management control over forest operation through appropriate agreement or contracts, for the purpose of the requirements of the Standard.
2.	The forest manager shall: <ul style="list-style-type: none"> a) Describe, record and map the defined forest area and maintain and regularly update a register of all separately described titles, schedules, blocks, compartments, coupes or other land components: b) Monitor and document any changes to the defined forest area and c) Make the maps of the defined forest area (at a scale not smaller than 1:250,000) publicly available.

Criterion 1 – Systematic Management	
Forest management shall be undertaken in a systematic manner appropriate to the nature and scale of the enterprise and provide for continual improvement.	
<i>Criterion 1.1 Policy</i>	
Strengths	
Compliance	The company has around 37 active Policies – those documents are the line base for planning and operations. In order to achieve a responsible forest management 2 of them are the most relevant: OHS Policy 17 Oct 2019 Forest Management Policy 24 Feb 2020
<i>Criterion 1.2 Forest Management Plan</i>	
Strengths	
Compliance	The overview management plan is available under the website or by request in AFL office.

	<p>This plan is based on economic, social and Environmental goals.</p> <p>The forest resource and the non-plantation resource are well described. Environmental, social and cultural limitations are described.</p> <p>The rates of harvest over 1 rotation have been calculated.</p> <p>Reporting and assessment of objectives achieved is undertaken.</p> <p>All aspects of the Management Planning documents have been implemented.</p> <p>The Public Summary MP is updated yearly and clearly defines all company objectives</p>
Criterion 1.3 Implementation of Forest Management Plan	
Strengths	
Compliance	<p>Updates to the management plan documents are done annually. This is consolidated with yearly Objectives and Goals, management objectives and budget process.</p> <p>The responsibility for compiling and updating the Management Planning documentation is verified annually.</p> <p>New scientific and technical information is made available to staff via the internet, publications reports and field trips.</p>
Criterion 1.4 Monitoring and Corrective Actions	
Strengths	
Compliance	<p>All CAR's are lodged into a centralised spreadsheet which enables monitoring to determine trends and outcomes. When necessary CAR's can lead to an Incident Investigation. These involve analysing the 'root cause' of the incident as well as implementing changes. Recommendations from the investigation may also lead to reviews and updates to internal systems.</p>
Criterion 1.5 Review of Management system	
Strengths	
Compliance	<p>There is a COMPLIANCE MANUAL about a Guide to the Implementation of the Forest Management Policy & Environmental Management System version 3.1, July 2020.</p> <p>Section 1.5 -Review under this document describes all the reviews done, the frequency and based on what the reviews are done. for example:</p> <p>Compliance manual- annually, prior to any certification audit and after any major change.</p> <p>Scope of Review- Review of associated Policies, Plans, outcomes from research, and changes to other aspects of the Environmental Management System; Outstanding hazard reports relating to environmental issues; Changes to the organisational structure that may affect the environmental management system. Changes to manuals in the environmental management system; Statistical analysis or monitoring undertaken; among others.</p> <p>It is also stated in this documents that specific changes to documents will be recorded in the Document Control panel at the start of major plans, with a description of item changed, date and who by.</p> <p>It is established that results from reviews and monitoring will be used to update documents and inform future planning operations.</p>
Criterion 1.6 Research	
Strengths	
Compliance	<p>AFL belongs to several key forest industry research cooperatives in conjunction with Scion in Rotorua. AFL also actively seeks audience with other forestry companies to determine their best practice guidelines and incorporate them into management practices. With the recent move towards establishing second rotation plantation instead of new land, AFL has spent field days with other forestry companies to observe their management practices in this regard.</p>

	AFL uses the ATLAS Technology Suite (e.g. <i>ATLAS Geomaster and Harvest Manager</i>) as the stand record system and forestry and harvesting management systems. (Atlas is the leading provider of forestry software within New Zealand and is part of Scion Research, formerly known as Forest Research Institute).
CRITERION 2: STAKEHOLDERS	
Forest management shall demonstrate proactive stakeholder engagement	
<i>Criterion 2.1 Identify Stakeholders</i>	
Strengths	
Compliance	<p>AFL Full stakeholder List spreadsheet was evidenced. The document has a list of all interested parties, local organisations, governmental organisation (district councils, DOC), contractors, IWI's representative and neighbours of all FMUs under the scope.</p> <p>The list has a column with the responsible of updating the contact, all person that could be contacted by any reason or could be affected by the operations is part of the list and this is the criterion used to update the list.</p> <p>Per the interviews done with stakeholders during the audit and by the stakeholder consultation done 6 weeks before the audit, it was evidenced the stakeholder list is updated.</p> <p>The 2020 list of stakeholders was used to complete the process of stakeholder consultation by SGS audit 2020</p>
<i>Criterion 2.2 Stakeholders engagement plan</i>	
Strengths	AFL have created a new position in order to have a direct link to their stakeholders – Community Liaison Manager.
Compliance	<p>Aratu Stakeholder Engagement Current – Sept 2020, approved on 19.09.2020. The plan is divided in the following sections:</p> <p>PART A: Stakeholder Engagement Policy, PART B: Stakeholders, PART C: Engagement Approach, PART D: Engagement Plan, PART E: Performance Measures</p> <p>Section A- Policy: Engage stakeholders to understand their needs, concerns, and aspirations and take them into account in AFL's business decisions. Work with our stakeholders to offer lasting benefits to our local communities. Align AFL community investment where the social and environmental interests intersect with our stakeholders. Recognise local iwi and hapu as a key stakeholder and work collaboratively to better understand our relationship and responsibilities.</p> <p>Section B- Stakeholder has a description of how to classify the stakeholders.</p> <p>Section C- engagement approach: inform, consult, involve and collaboration</p>
<i>Criterion 2.3 Stakeholder Participation</i>	
Strengths	
Compliance	<p>There are several ways used by AFL to allow stakeholders to provide feedback and to influence the company's decision on operations' planning.</p> <p>AFL before any high impact operation identifies all neighbours and stakeholder that could be affected and communicates the operations to them, for example:</p> <p>Stakeholders have a participation by using the forest for recreational, cultural or other activities, or also by requesting further information regards operations scheduled</p>
<i>Criterion 2.4 Stakeholders communication records</i>	
Strengths	
Compliance	AFL Social Impact Assessment Framework Plan Reviewed August 2019. This document set up the bases for the social impact assessment, for example: why it is important to do it, use of a sociologist, when to conduct the SIA, SIA decision flowchart, etc.

	Social impacts and the way of assessing them are described in several documents.
Criterion 2.5 Public Disclosures	
Strengths	
Compliance	<p>These documents are publicly available on the company's website.</p> <p>The Public Summary- Forest Management Plan 2020 is available at https://aratuforests.co.nz/wp-content/uploads/2020/08/Public-Summary-Forest-Management-2020.pdf</p> <p>The reports provided by the certification body are available at https://aratuforests.co.nz/wp-content/uploads/2019/06/C2_HFF-FMS-Exec-Summary-Initial-stage-2-Oct-2018_20190617.pdf</p>
CRITERION 3: BIODIVERSITY	
Forest Management shall Maintain for Enhance Biodiversity	
Criterion 3.1 Identify Biodiversity priorities	
Strengths	
Compliance	<p>AFL have an extensive GIS mapping system which contains multiple layers identifying all possible biodiversity values and structural elements such as Optilog and the Fire and Chemical stores. Aratu have used a 'Land Use Classification' (LUC) system within the Indigenous Biodiversity Management Plan (IBMP) to identify reserve areas and note their biodiversity values. The LUC table defines management practices that are allowed per class, many of which do not permit any activity other than control. Internal documents such as the IPMS and IBMP cover the implementation of biosecurity values. There appears to be no structural elements to identify within the forest estate itself. Rare Threatened and Endangered Species are a priority value. The RTE species documented within the forest estate are: 1. NZ Falcon (<i>Falco novaeseelandiae</i>) 2. Kiwi (<i>Apterygidae</i> spp) 3. Weka (<i>Gallirallus australis</i>) 4. Kaka-beak (shrub) (<i>Clianthus puniceus</i>) 5. Hebe Tairawhiti. 6. Long Tail Bats</p>
Criterion 3.2 Maintain or Enhance biodiversity	
Strengths	
Compliance	<p>All forest are managed by age class and to an extent maintain biodiversity values within the plantation crop. Significant values are concentrated in reserve areas and these are managed within the guidelines established in the IBMP and the Integrated Pest Management Strategy (IPMS). The pest and weed control processes detailed within the IPMS ensure the protection of current biodiversity as well as progression into the future. There are two specific sites where Kaka beak bushes have been identified within the forest boundaries. These have been given full protection and are regularly monitored and included in the planning processes. The potential for Bat presence in Huanui Forest has also been identified and a full Management plan implemented for their protection. Falcon nests have occurred with the latest being recorded on time lapse photos until the fledglings left the nest sites</p>
Criterion 3.3 Identify significant biodiversity values	
Strengths	
Compliance	<p>Values are identified individually on maps and referenced from the LUC table in the IBMP. The Indigenous Biodiversity Management Plan is a comprehensive management plan it clearly defines what type of management (in terms of pest and weed control) is applied in the defined priority areas such as: Accord, Protected Management areas (PMA's) and Covenants. The auditor has visited samples of these sites and previously interviewed the contractor who is fully employed to apply pest control in these priority areas. Reserve areas which are the primary location of biodiversity values are identified initially via the Gisborne District council PMA system. Aratu also use Ecoworks on contract for specific work required within identified areas. Consultancy and reporting has also been conducted by 'Marsden Environmental Consultancy'. A good example of these is a recent extensive survey into bats within Huanui Forest which has resulted in a 'Bat Management Plan' for that area</p>

Criterion 3.4 Maintain or Enhance significant biodiversity values	
Strengths	
Compliance	All reserve areas irrespective of categorisation are afforded protection to varying degrees depending on the prioritisation as mentioned in 3.1 above. This includes adhering to Resource consent conditions as well as upholding the NZ Forest Accord. All work prescriptions include clauses relating to the maintenance of these areas. The only Significant Biodiversity Value identified to date has been a very small area of Kaka Beak which is well protected. Other areas with lesser values have also been identified including the Hineroa Wetlands Survey as well as the Bat survey mentioned above. AFL follows the guidelines outlined by the New Zealand Forest Accord (NZFA). Hence, the decision model based on NZFA and as presented Table 2.1 (Classification Categories) of Indigenous Biodiversity Management Plan. The action required is to ensure these areas are covered as part of the annual general maintenance program for each forest
Criterion 3.5 Monitor Biodiversity	
Strengths	
Compliance	Assessments of all biodiversity values have been conducted regularly over the years by field staff according to the IBMP. These include annual surveys of PMA and HCV areas and some NZ Forest Accord areas. Some of this monitoring has been conducted in collaboration with Department of Conservation staff. The permit entry system also requires kill records to be submitted and these figures are also used (e.g. possum numbers) to provide background data as to where maintenance may be required. A number of reserve areas including those with biodiversity values are largely standalone blocks with no ability to create wildlife corridors. However, the plantations themselves do provide a mosaic of age classes spread across the region. The FME's annual monitoring reports include HCVs and confirm if they sufficiently identify disease and insect outbreak or any other ecological impacts. The native reserve monitoring program is set up to monitor and record all survey data, and all survey information has been updated. The auditor reviewed reports including pests and weeds identified during monitoring. Pest and weed control were identified as having the highest priority.
Criterion 3.6 Reviews of biodiversity	
Strengths	
Compliance	Biodiversity reviews are included in the review process described in 1.5 above. Reviews are conducted by Aratu staff at least annually. These use an internal check system adapted from the QE II covenant programme. A number of these review reports were provided to the auditor and were comprehensive and detailed. The Monitoring Plan within the EMS also includes a process of review and feedback into systems and processes.
Criterion 3.7 Regeneration	
Strengths	
Compliance	AFL will manage indigenous biodiversity in the estate under the guidelines of local government authority and its Indigenous Biodiversity Management Plan. AFL have also developed management priorities for its indigenous biodiversity forest areas including increased pest and weed control, these are set out in the Indigenous Biodiversity Management Plan. Pest and weed control are essential for the restoration and regeneration of indigenous areas such as HCVF.
Criterion 3.8 Introduced Genetics	
Strengths	
Compliance	GM trees are not used. Plantations are mostly Pinus radiata and no significant problems have ever been noted with regard to wildings and uncontrolled spread of the species. There is a Wilding Control policy in place and this has been fully implemented since its introduction. Wildings are now identified as plant pests within the GDC Regional Pest Management Plan 2017 – 2027. Most wilding control is either in reserve areas or on roadsides. Section 4 of the Forest Operations Procedures

Criterion 3.9 Native Vegetation Conversion	
Strengths	
Compliance	Plantations have been established primarily on converted pasture. No areas with biodiversity values are or have been subject to any form of conversion.
CRITERION 4: FOREST PRODUCTIVE CAPACITY	
Forest management shall maintain the productive capacity of forest and land	
Criterion 4.1 Identify Productive capacity	
Strengths	
Compliance	<p>The main productive use is to provide a sustainable long-term forestry business at the same time the protection of natural resources is occurring such as soil, water and natural reserves (native vegetation and animal species)</p> <p>Aratu Forests Ltd (AFL) is committed to long term use of the land. The main activity is Forestry however AFL is committed to work close to the community and use the forest for recreational and another activity.</p>
Criterion 4.2 Identify harvest rates	
Strengths	
Compliance	<p>Sustainable harvest levels are calculated in long term estate level planning, which utilises forest inventory data and current growth yield tables. Predicted harvested levels are reconciled with actual harvest level volumes on the completion of a sale area.</p> <p>Harvest levels are yearly calculating by taking in consideration any gaps within the age class distribution.</p> <p>Tigermoth modelling is performed constraining the annual cut to a level to ensure a long-term viable forest rotation volume for perpetuity at no more than 800,000 cubic metres per annum.</p>
Criterion 4.3 Plan and Monitor use	
Strengths	
Compliance	<p>Aratu Forests Limited conducts a number of inventory operations at various times in the forest rotation. Early in the rotation during establishment and silvicultural tending pre and post-assessment operations are carried out to identify base statistics for the calculation of targets and to monitor the quality of operations. This data also provides the start points required for feeding into the scheduling systems used for determining the timing of subsequent operations. Later in the rotation many stands have a mid-rotation strategic inventory which allows an accurate profile of the resource to be determined at around age 16. At a generic level, the data from this inventory can be used as start points to project potential yields, growth curves and product outturn at the end of the rotation. It also allows a comparison to be made with data from final silvicultural operations to gauge accuracy of silvicultural data or to identify any problems that may have occurred within the crop since the time of final silvicultural measurement. AFL also conducts pre-harvest inventory at around 3-5 years prior to harvest to determine, to a very detailed level, the predicted yield and product outturn of its stands at harvest.</p>
Criterion 4.4 Infrastructure	
Strengths	
Compliance	<p>For construction of roads or bridges the company follows council requirements, National Environmental Standard for Plantation Forestry and best practice guidelines.</p> <p>Soil information continues to be available within the GIS system via a Land Use Classification layer. This GIS layer details soil types and slope gradients that could result in erosion susceptibilities in key forests within the estate. This information creates base level risk analysis for planning forestry operations, such as roading or harvesting which is added to as part of the harvest planning SOP and development of the risk matrix.</p>

	<p>Infrastructure, slash, soil and debris management practices and performance standards are clearly laid out in the Environmental Standards, Harvest Plans and maps, and are checked in detail during operational audits.</p> <p>AFL Roading and landing infrastructure is designed to enable the harvest levels of 685k m3 (2020-2021) and 800k m3 (2022-2027).</p>
Criterion 4.5 Silviculture	
Strengths	
Compliance	<p>Silviculture Regime is described in general. The silvicultural actions in AFL are covering the follow steps: Mechanical Site Prep, Aerial Site Prep, Oversowing, Seedlings & Cuttings – setting, Tree Delivery, Planting / QC , Releasing (spot), Releasing (aerial), Ancillary Release, Survival Survey, Regen Thin Crop Performance Review, Foliage Sampling, Waste Thinning / QC, Forest Health Survey , Dothistroma Survey, Dothistroma Spraying and Inventory (MRI / PHI)</p> <p>Each block has their own pre operation checklist where potential impacts regards Environmental and social impact are clearly controlled</p>
Criterion 4.6 Establishment	
Strengths	
Compliance	<p>The establishment and silvicultural regimes employed by AFL are well proven management practices established over the history of plantation forestry in New Zealand. AFL is proactive in exploring and implementing new management practices or regime protocols if there is proven economic benefit.</p> <p><i>Aiming to produce a well-spaced uniform crop that stands at a final stocking of approximately 500sph.</i></p> <p>All AFL stands must be re-planted within 18 months of harvest completion within that stand. Successive planting of the second rotation is done within a relatively short timeframe to not only reduce the risk of erosion and increase protection and stability of our forest estate but to also reduce the risk of infestation for example by the Hylastes beetle which are attracted to the turpentine in the freshly cut stumps and slash. However, sometimes small pieces of large blocks harvested after this time may be established if it is close to harvesting completion or to take it to logical boundaries. Harvesting cooperates with Forestry Operations on the availability of blocks for planting each season</p>
Criterion 4.7 Damage of growing stock	
Strengths	
Compliance	<p>The company assess each block expose to damage such as fire or strong winds, then the team decide base on the damage what will be the best option for that areas.</p> <p>AFL employ a full-time pest controller to control animal pests (mainly goats). Recreational hunting also occurs to control other species which may pose a threat to the growing stock.</p>
Criterion 4.8 Unplanned Fire	
Strengths	
Compliance	<ul style="list-style-type: none"> - AFL have an effective fire plan and work in with FENZ to ensure fire readiness - AFL run active fire trainings for all operational staff and contractors to ensure fire readiness <p>AFL own and operate a large-scale fire store for a large fire. The company has procedures in place for fire management under AFL Staff Fire and Emergency Handbook 2020 – 2021 pages – this is use for native</p> <ol style="list-style-type: none"> 1. Emergency Procedure and AFL Emergency plan, 2. AFL channels at forests and fire, 3. units 3285 refresher (control Vegetation Fires using Dry fires fighting technics and 3287 Supper Vegetation fires with water and with additives,

	<p>4. Refresh on List crews & Equipment attending smoke or fires report (33 participants) done 4 Sep 2020 fire p</p> <p>5. Plan and Objectives of fire store and forest visit</p> <p>- During the visit fire ponds were observed in all the visited forest – crew have their shovels and fire PPE, fire training evidence seeing amount of equipment in case of fire</p> <p>All crews equipped with fire gear in case of a fire on site</p>
Criterion 4.9 Non-Wood Products	
Strengths	
Compliance	<p>The forests are used for hunting, mountain and motor biking, tramping, bee keeping and collection of firewood. Local Iwis are also allowed for removal of non-timber forest products including flaxes. However, this does not occur on a regular basis. Access to the forest is obtained through a permit system.</p> <p>Encouragement for the use of non-timber forest products by the local communities is encouraged by the company through the permit system and through agreements with local communities, sport centres and hunting groups</p>
PRINCIPLE 5: FOREST ECOSYSTEM HEALTH	
Forest management shall maintain forest ecosystems health and vitality	
Criterion 5.1 Identify damage agents	
Strengths	
Compliance	<p>AFL are part of the Forest Owners Association (FOA) forest health surveillance programme conducted by SPS Biosecurity. This was last completed in 2019/2020 and a full copy of the report was provided at the audit. No issues were identified, and no new diseases were found during inspections. AFL also conduct foliage sampling on younger stands as part of normal operations.</p>
Criterion 5.2 Maintain Health	
Strengths	
Compliance	<p>Results of the FOA surveys and input from management staff in the field are used as guidelines for implementing strategies identified within the IPMS/ IBMP. Results of these are used to determine priority areas within the estate that require further management objectives. These are all part of the monitoring process within the EMS. The implementation of Forest Health monitoring is outlined in the Planning Procedures Manual,</p>
Criterion 5.3 Weeds and pests	
Strengths	
Compliance	<p>AFL have a fully operational 'Integrated Pest Management Strategy' that has been in place for many years. There is also a section in the EMS dealing with Pest and Weed Monitoring. All AFL forests are regularly monitored for pests and weeds, by Forest Operations field staff. The Operations Team budget includes planning for management of plant pests. Planning is carried out annually in the "Forests Direct" Software and includes roadside weed control, animal control and road maintenance. Pest control also involves the employment of a dedicated contractor to do all control work and also the use at times of a helicopter to aid in the shooting of goats. Again, the implementation of weeds and pest control measure area follow.</p>
Criterion 5.4 Fire and Disturbance regimes	
Strengths	
Compliance	N/A to Plantation forestry
Criterion 5.5 Rehabilitate degraded forest	

Strengths	
Compliance	To date there has not been any areas of degraded forest identified within the Aratu managed forest estate. Areas which may become affected will be identified and handled within the Forest Health Survey programme.
<i>Criterion 5.6 Chemical use</i>	
Strengths	
Compliance	AFL's operational procedures are based on the NZ Standard, Code of Practice for the Management of Agrichemicals NZS 8409:2004. All chemical use is referenced within the 'Chemical Management System'. This provides reference information about chemical management for forest operations staff. AFL's policy in this manual is to 'reduce the risk associated with chemical use within the estate'. To do this the manual has sections including: • Choosing a Control Method • TreeCon Chemical Management System • Agrichemical Management System • Reconciliation of Chemical use • Recording Chemical Use Trends • AFL Prescriptions, Forms and Templates • AFL Chemical Emergency Plan The AFL Compliance manual clearly states they do not use banned chemicals such as the WHO 1A and 1B or the Stockholm Convention on Persistent Organic Pollutants.
<i>Criterion 5.7 Damage agent Salvage operations</i>	
Strengths	
Compliance	AFL have made a commitment to consider salvage of damaged forest dependant on results of assessments such as the forest health surveys. This would not include any reserved areas and Significant Biodiversity Values as these are controlled within the LUC system
CRITERION 6: SOIL AND WATER RESOURCES	
Forest management shall protect soil and water resources	
<i>Criterion 6.1 Identify soil and water values</i>	
Strengths	
Compliance	<p>The company comply with this section as per AFL Environmental Management Plan (Risk) - Version 3 – July 2020. Identification and Management of Environmental Effects. Section 2.1 Potential Environmental Effect by Operation of this document identifies all potential impacts per operation. For example: Quarries- Erosion of land, Sedimentation of waterways, Compaction of land, Structures/slash blocking streams or other damage to streams. Harvesting- Slash blocking or causing damage to streams and beaches, Removal of or damage to streamside vegetation, increase in water runoff after harvesting (flooding).</p> <p>Section 3 - MANAGEMENT OF ENVIRONMENTAL RISK describes all the actions to be taken to avoid or to minimise the impacts identified in the previous section. In this section it is referred to the company's operational procedures, to the ACOP and to the Work H&S act. and regulations. For example: AFL Harvest and Engineering Procedures Manual V 3 August 2020, AFL Roading Manual V2.3, etc.</p> <p>AFL uses GIS system whereby all waterways and different soil areas are identified in the operational maps.</p> <p>Pre-operation risk assessment are done as a way of identifying these issues and putting measures in place to protect them. For example:</p> <p>Post-operational inspections are done by AFL where the effect of operations on the resources is checked.</p>
<i>Criterion 6.2 Water Quality</i>	
Strengths	
Compliance	<p>The company is taken a lot of actions to minimise adverse changes in water quality. Pre-operational risk assessments are being done before the operations to identified all potential impacts on waterways and soils. See examples in 6.1.1.</p> <p>After the operations are finished, post-operational monitoring is done to identified situation</p>

	<p>that must be restored as result of the activities done.</p> <p>There are several other documents were the actions to protect the waterways are described, for example:</p> <ul style="list-style-type: none"> - AFL Harvest and Engineering Procedures Manual V 3 August 2020- Check size of water catchment area planned for clear fell; Isolate spill from streams and waterways. - AFL Environmental Management Plan (Risk) - Version 3 – July 2020. Several sections referring to waterways’ protection. <p>Regular environmental audits are conducted to evaluate if the operation had an adverse effect on the water</p>
Criterion 6.3 Water Quantity	
Strengths	
Compliance	<p>AFL is using the requirements under the NES-PF to plan all the operations protecting the waterways.</p> <p>There are many other actions described in different documents the organisation is taken to protect the waterways and so the water quantity. For example:</p> <ul style="list-style-type: none"> - AFL Harvest and Engineering Procedures Manual V 3 August 2020- Check size of water catchment area planned for clear fell; Isolate spill from streams and waterways. - AFL Environmental Management Plan (Risk) - Version 3 – July 2020. Several sections referring to waterways’ protection. <p>Regular environmental audits are conducted to evaluate if the operation had an adverse effect on the water. Evidences described under 36B report</p> <p>When required the organisation applies for resource consents where the environmental considerations regarding waterways’ protection are detailed</p> <p>The company in all its documents and procedures is establishing guidelines and control measures to minimize the adverse impacts on waterways.</p>
Criterion 6.4 Soil Properties	
Strengths	
Compliance	<p>Several actions are being taken by AFL to protect the soils and so, the nutrient losses as result of the forest operations.</p> <p>The following documents describing the measures to avoid soil erosion were evidenced:</p> <ul style="list-style-type: none"> - Compliance Manual 2020- chemicals are identified as one of the damage agents because of the reduction in soil biology activity, for this the organisation proposes to use of accepted pesticides and herbicides, avoiding use of WHO Class 1a and 1b banned pesticides. <p>Section 6.1 of the Compliance manual “6.1 Identification of Soil and Water Values” refers to the Environmental management plan that outlines methods to manage the potential environmental effects of operations. It is also described that section 3 of the EMP relates to the identification and protection of environmental aspects primarily focusing on the protection of soil and water properties. The information described in the EMP is used to elaborate the operational plans for example harvesting, roading, etc.</p> <ul style="list-style-type: none"> - AFL Environmental Management Plan (Risk) - Version 3 – July 2020- section 2 identifies all the operations with effects on soils, for example: road and landing construction- Accelerated erosion due to slope instability and mass soil movement, Compaction of land. Qaurries- erosion of lands, compaction of land. - AFL Harvest and Engineering Procedures Manual V 3 August 2020- Over sowing after operations ensures rapid coverage of exposed soil. This reduces weed spread, reduces loss of soil, and is more visually aesthetic. Plan roads and skids to suit terrain and most suitable machinery. - Forest Management Plan 2020- Successive planting of the second rotation is

	<p>done within a relatively short timeframe to not only reduce the risk of erosion and increase protection and stability of our forest estate but to also reduce the risk of infestation</p> <ul style="list-style-type: none"> - Soil Conservation and Rivers Control Act 1941 – is part of the legislation applicable under the legislation list. <p>For nutrient monitoring the organisation takes foliage samples to be monitored. This samples are taken based on visual observations by the company staff and as result of the Health monitoring reports presented by SPS Biosecurity (FOREST HEALTH SURVEILLANCE REPORT 2019-20).</p> <p>There is a spreadsheet “Foliage sample results to date” where there are graphs with the results of the last foliage sample results done per forest. There is also another sheet within the same spreadsheet where all the historical foliage sampling results are listed as per the image below:</p>
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Criterion 6.5 Pollution

Strengths

Compliance	<p>There are several documents covering the chemicals handling, storage, application and disposal in the company. examples:</p> <ul style="list-style-type: none"> - road spraying version May 2020- mixing and filling will be done away from waterways, PMA's, boundaries or other sensitive areas. preferably on 'dead' ground such as a skid where run off will not occur. risk assessment is a priority and should be done if there is a new significant hazard that relates to the operation, etc. - herbicide application pre-operation checklist considers the following among others: waterways (streams, water tables, culverts, domestic water), neighbours (water quality, easements, visual impacts, livestock, helicopter noise). - aerial desiccation procedure dated on 09.10.2019. – coordinators will try to prioritise mixing sites to bounded sites- where chemical runoff is eliminated. if a bounded area cannot be achieved the co-ordinator and all involved must ensure all steps are taken to ensure no chemical enters a waterway. spraying on protected waterways is prohibited. <p>Document AFL chemical management system v 2 august 2020 was also evidenced. the following sections are part of this document: section 2- choosing a control method, section 3- agrichemical management system (describes the steps in the management of chemicals), section 4- reconciliation of chemical use, section 5- recording chemical use trends, section 6- AFL prescriptions, forms and templates, section 7- AFL chemical emergency plan (describing the steps to follow in case of a spill).</p> <p>Section 6 of the AFL harvest and engineering procedures manual v 3 august 2020 describes the procedure for fires and spills. section 6.2 procedure if spill reaches waterway, states all steps to follow if the spill reaches a waterway.</p> <p>the HSNO fuel & oil management guide for forest operations section was removed from the manual because this is covered by HSWA (hazardous substances) regulations, ACOP section 9 – hazardous substances and specific resource consent clauses, and so, these documents are referred in the manual. so, all related to storage and location of storage sites within the forests is done as per the requirements of these documents.</p> <p>The company performs audits of chemical storage facilities, audit done on 09.07.2020. requirements for compliance: no transport spill kit, an empty container register needs to be created, all of these requirements were closed on 23.0.2020.</p> <p>AFL operations internal processes – empty chemical container disposal- where the process for managing empty container and for final disposal is described.</p>
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CRITERION 7: CARBON

Forest management shall maintain or enhance forest contribution to the carbon cycle

Criterion 7.1 Carbon Cycle

Strengths

Compliance	AFL have made a statement in the CM that 'Plantation forestry plays a major role in reducing the effects of climate change and achieving greenhouse gas reduction targets through the effect of trees on carbon sequestration'. The main requirement for AFL to ensure this occurs is to maintain replanting levels to enable the uptake of carbon.
Criterion 7.2 Minimize fossil fuel use	
Strengths	
Compliance	Minimising Fossil Fuel Use is one of the areas considered by AFL to reduce their carbon footprint. The major beneficiary of this criterion has come from the implementation of the Optilog site which uses whole stem transportation of logs thus reducing the energy use of trucking as well as reducing waste due to higher recoverable product through the scanning and optimisation objectives of the facility. Waste remaining at Optilog after being scanned through the optimiser and cut into merchantable logs is chipped onsite by a contractor and sold to be used as a feedstock for paper manufacture. Other residues generated at Optilog are supplied to companies that use it for energy generation or recycling as organic material. AFL also encourage the use of modern machinery, improved technology, efficiency in management, and regular maintenance of vehicles and machinery. All these things contribute to minimising fossil fuel use. It was noted during the audit that AFL conduct audits that include environmental checks for fuel and oil storage but that this does not include storage of small containers such as for chainsaws.
Criterion 7.3 Measurement of carbon storage	
Strengths	
Compliance	AFL have used the Carbon Storage guidelines and tables used by the Ministry of Primary Industries (MPI) to determine the Emissions Trading Scheme (ETS) values for forests. An estimate has been calculated that AFL currently manages an estate containing approximately 12 million tonnes of stored CO ₂ .
PRINCIPLE 8: CULTURAL VALUES	
Forest management shall protect and maintain, for indigenous and non indigenous people, their natural, cultural, social, recreational, religious and spiritual heritage values. The rights of indigenous people which are expressed in the treaty of Waitangi shall be recognized and respected.	
Criterion 8.1 Indigenous people values	
Strengths	
Compliance	Iwi and Joint Venture Partners identified under AFL Stakeholders list. AFL have over 80 confirmed historic sites primarily made up of indigenous pits, terraces and pa sites. Cultural sites are also classified as High Conservation Value. Any operations involving site disturbances in or around a historic site is only done in consultation with both the local Iwi and the NZ Historic Places Trust (NZHPT), and an approval must be granted from the NZHPT. On occasion a site is blessed prior to any operations within the area, or an Iwi representative visits the site post-harvest
Criterion 8.2 Indigenous people heritage values	
Strengths	The company has set their Performance Measures regards engaging indigenous people The Community Liaison Manager position have been specific created to attend this point as for AFL is Critical to the fulfilment of this purpose is our relationship with stakeholders.
Compliance	Iwi engagement and consultation included in the stakeholder under AFL engagement plan 2020 Archaeological sites identified in planning and operations. Other culturally significant areas and considerations will come from consultation with iwi.
Criterion 8.3 Other Heritage values	
Strengths	

Compliance	Meeting with tangata whenua to better understand these elements is underway. Included in the planning and mapping. This informs operations on the ground. Included in operational planning and monitoring.
Criterion 8.4 Legal and Traditional uses	
Strengths	
Compliance	Public entry permit system in place that allows for use of the forest by recreational groups. Iwi also have access upon request for cultural and spiritual rituals. Respect for sacred areas are Included in the planning and mapping. This is informing to contractors before operation start as part of planning.
PRINCIPLE 9: SOCIAL AND ECONOMIC BENEFITS	
Forest management and shall maintain and enhance long – term social and economic benefits	
Criterion 9.1 Regional Development	
Strengths	
Compliance	AFL are contributing members of the Eastland Wood Council and have contributed financially to a number of local groups. Contractors are always sourced locally and Aratu also run their own log processing facility, Optilog. Forests have been originally planted in East Coast for erosion control after Cyclone Bola. This has proven to improve erosion and water quality although it is acknowledged that there is a window of 5 years during and post-harvest until forest cover is sufficient to achieve this. Three (3) local sawmills are supplied with high grade logs for further processing. Community sponsorships are extensive and are listed section 9.1 of the Compliance Manual as well as on the 'Community' page of their website. AFL employ 26 full time staff across Planning, IT, Finance, Forestry, Harvesting, Engineering and subsidiary roles; AFL also employ numerous contract crews who employ approximately a further 139 people; however, this figure varies seasonally. People from the two local Maori Iwi of Ngati Porou and Tairawhiti make up a dominant component of the AFL workforce both in the harvesting and forestry operations.
Criterion 9.2 Optimal use	
Strengths	
Compliance	Each logging crew pull pre-felled trees back to a processing area where the full stems are delimited and cut to the grade and length requirements. The logs are carted away with fleet of logging trucks to the Port or off Port storage facilities for the export grades and direct to customer for domestic supply. All loads are weighed before delivery and all export loads are ticketed JAS scaled to retain their source information. Bark and firewood are also provided locally free of charge.
Criterion 9.3 Illegal activities	
Strengths	
Compliance	Illegal activities are managed mainly via control of access to the forests. Forest security and control of forest access is achieved through locking of gates, controlled and bonded access key issue, and a permit system. Staff are guided by the: • Security Gate Policy • Access Permit Procedure • Forest Operations Procedures – Key Issue Procedure • Hunting Policies – Staff and Contractor Any illegal use is immediately reported to and dealt with by the Police.
Criterion 9.4 Skills development	
Strengths	

Compliance	All staff and contractors are given induction training and supervision for the implementation of the management plan. The Auditor confirmed that AFL – through training providers like Competenz, and the contractor principals – maintains training records for contractors and contractor staff. AFL provided the Auditor with an example of a Contractor schedule that contained several clauses articulating the requirement for the Contractor to “develop and maintain complete and accurate data on employee training status. The Auditor also sighted a detailed spreadsheet relating to the silvicultural crews’ training, incorporating training units and the progress made by crew members towards the required number of units. The Planning Manager and the Health, Safety & Environment Manager also advised that confidential individual staff training records were held on file.
Criterion 9.5 Health and Safety	
Strengths	
Compliance	AFL has a general Health and Safety Plan which covers all aspects of the operations and complies with the Health and Safety at Work Act 2015, and its associated regulations. The Plan was completely revised and updated last year. All forestry operations also follow the ‘Approved Code of Practice for Safety and Health in Forest Operations’. The Health and Safety Manager demonstrated the AFL’s Incident Reporting Information System (IRIS) including the use of the system regarding specific (known) incidents, reports prepared following incidents and accidents, and generation of trends in types of accidents (e.g. loading, planting, felling) from the system for reporting purposes. IRIS was established and managed online by the Forestry Owners’ Association (FOA), of which AFL is an active, paying member. Monthly audits on contractors are conducted by staff to ensure adherence to their own Health and Safety plans. All contractors observed during field visits displayed a good knowledge of their requirements and were actively enforcing their systems.
Criterion 9.4 Workers Rights	
Strengths	
Compliance	There is no limitation on workers’ rights to join unions or be members of any like organisations and this is a stated policy of AFL in various manuals as well as on their website in the FMP. One planting/ silviculture crew spoken to confirm all employees are members of a union and that there were no issues with AFL in this regard. Opportunities and qualifications are mentioned in contracts and the Compliance Manual confirms that ‘AFL is an equal opportunity employer and treats all staff in fair and equitable manner using qualifications, skill, experience and merit as the basis for recruitment and advancement’. AFL also have a ‘Children at Work Policy’ which strictly enforces that people under the age of 15 ‘shall not work at AFL’.

10. CERTIFICATION DECISION

SGS considers that Aratu Forests Ltd management of 17 forests, Gisborne-New Zealand can be certified as:

- i. There are no outstanding Major Corrective Action Requests
- ii. The outstanding Minor Corrective Action Requests do not preclude certification, but Aratu Forest Limited is required to take the agreed actions before the first surveillance. These will be verified by SGS QUALIFOR at the first surveillance to be carried out at about 12 months from the date of the issuance of the certificate. If satisfactory actions have been taken, the CARs will be ‘closed out’; otherwise, Minor CARs will be raised to Major CARs.
- iii. The management system, if implemented as described, is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation.
- iv. The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.

11. MAINTENANCE OF CERTIFICATION

During the surveillance evaluation, it is assessed if there is continuing compliance with the requirements of the Qualifor Programme. Any areas of non-conformance with the QUALIFOR Programme are raised as one of two types of Corrective Action Request (CAR):

01. **Major CARs** - which must be addressed and closed out urgently with an agreed short time frame since the organisation is already a QUALIFOR certified organisation. Failure to close out within the agreed time frame can lead to suspension of the certificate.
02. **Minor CARs** - which must be addressed within an agreed time frame, and will normally be checked at the next surveillance visit

The full record of CARs raised over the certification period is listed under section 12 below.

The table below provides a progressive summary of findings for each surveillance. A complete record of observations demonstrating compliance or non-compliance with each criterion of the Forest Stewardship Standard is contained in a separate document that does not form part of the public summary.

SURVEILLANCE 2	
Issues that were hard to assess	None
Total Area	35 013 Ha
Number of CARs closed	1
Nr of CARs remaining open	0
Nr of New CARs raised	4 Minor
Brief Summary of Sites Inspected	Forest visited were Hineroa, Kopua, Wakaroa and Okiwa – check of 6 active blocks and 5 inactive blocks was done – also a visit of Tolaga Bay.
Recommendation	<p>The forest management of the forests of Aratu Forests Limited to remain certified as:</p> <ul style="list-style-type: none"> • The management system is capable of ensuring that all of the requirements of the applicable standard are met over the whole forest area covered by the scope of the evaluation; and • The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.

12. RECORD OF CORRECTIVE ACTION REQUESTS (CARs)

CAR #	Indicator	CAR Detail					
		Date Recorded>		Due Date>		Date Closed>	
01	6.1.2	30 Sep 2020		29 Sep 2021		dd mmm yy	
Non-Conformance:							
The forest manager does not manage forest operations to minimize adverse changes to water quality.							
Objective Evidence:							
Although the company is taking actions to avoid affecting the water quality, and visual observations are being done during and after the operations, water quality analysis are not being done as a way of ensuring the water's quality is not being affected by the company's operations. CAR 01 is raised.							
Close-out evidence:							

CAR #	Indicator	CAR Detail					
		Date Recorded>	30 Sep 2020	Due Date>	29 Sep 2021	Date Closed>	dd mmm yy
02	2.2.1	Date Recorded>	30 Sep 2020	Due Date>	29 Sep 2021	Date Closed>	dd mmm yy
		Non-Conformance:					
		The forest manager establishes and maintain a stakeholder Engagement Plan, but this plan is not considering all the standard's requirements/recommendations					
		Objective Evidence:					
		There is a Disputes Resolution Procedure V1, describing all the stages and steps to follow in case a complaint or disputes arise. Complaints and negative comments are being addressed by the organisation (see evidences in 2.3.1), however, the engagement plan is not considering complaints and the process for recording and managing them as part of feedback received from stakeholder and how this feedback will be used as part of the stakeholder engagement process. The interaction with stakeholder through recreational activities is not considered as part of the engagement plan either. CAR 02 is raised.					
		Close-out evidence:					
03	2.4.1	Date Recorded>	30 Sep 2020	Due Date>	29 Sep 2021	Date Closed>	dd mmm yy
		Non-Conformance:					
		The forest Manager strives to build constructive relationships with affected stakeholder but not all actions to mitigate adverse impacts on affected stakeholder are being taken.					
		Objective Evidence:					
		In the "Social impacts assessment" section of the management plan 2020 there are six recommendations resulting of the external SIA done because of the storm event in 2018. Although the company has addressed some of them (Increase the width of non-harvestable margins along water-ways, Improve slash and debris management, Improve harvesting practices to avoid large areas of clear-fell in vulnerable areas and prevent felled timber from lying for lengths of time) there are some other that have not been implemented yet (Stop establishing plantations on very steep slopes and instead let them revert to natives that can help protect against excessive run-off, land slippage and debris slides, Strengthen capacities to ensure regulations are upheld through stronger consent monitoring and Involve local Iwi and wider communities in planning and consent monitoring). CAR 03 is raised.					
		Close-out evidence:					
04	9.5.1-C	Date Recorded>	30 Sep 2020	Due Date>	29 Sep 2021	Date Closed>	dd mmm yy
		Non-Conformance:					
		The forest manager is promoting a safe working environment, however, not all procedures are followed to avoid endanger health and safety (RT) .					
		Objective Evidence:					
		When the auditor arrive to an active harvesting block – the Manager who was driving make repetitive calls into the working site – no reply was done for any of the crew members - the person in charge of the radio was part of an audit.					
		Close-out evidence:					

13. RECORD OF OBSERVATIONS

OBS #	Indicator	Observation Detail			
		02	7.2.1	Date Recorded>	13/11/2019
Prev		Observation:			
CB		AFL conduct audits that include environmental checks for fuel and oil storage but that this does not include storage of small containers such as for chainsaws.			
		Follow-up evidence:			
		Latest audits include storage of small containers			
		Tree Felling Skill Level & Competency Audit Mark Grayson / 30 Apr 2020			
		Tairawhiti Timber Training - Falling Skill Level Survey 31 Aug 2020			

OBS #	Indicator	Observation Detail			
		01	4.8.1	Date Recorded>	30 Sep 2020
		Observation:			
		One of the visited contractors was not able to locate the extinguisher			
		Follow-up evidence:			
		Date Recorded>	dd MMM yy	Date Closed>	dd MMM yy
		Observation:			
		Follow-up evidence:			

14. RECORD OF STAKEHOLDER COMMENTS AND INTERVIEWS

Nr	Comment	Response
	Main Evaluation	
	Surveillance 1	
	Surveillance 2	
1	Issues with previous owner for cutting trees from adjacent land	AFL have created a specific position to deal with any issues regards stakeholders – details were provided to do a follow up to this case

Nr	Comment	Response
2	<p>For many years we have contributed to this process because we had confidence in the FSC Kaupapa</p> <p>Unfortunately, there has been no response or engagement to those contributions made</p>	<p>From Sep 2020 SGS have taken over the PEFC Certification for AFL – any issues related to stakeholders are follow up no further comments were done.</p>
3	<p>Knows the company and the company's representative. There is a boundary issue for which AFL was already contacted and they were very useful, this is still an ongoing issue because of the COVID situation. No current no past problem with the company. The company has been very present in the last time, the company's staff has demonstrated to be very interested in having a very good relationship with the neighbours.</p>	<p>Positive comment acknowledge</p>
4	<p>very good working relationship. In case the neighbour needs to contact the company, the HO is reached. The company keeps neighbours informed about all the operations to be done in the area. No problems with the company, they are very good neighbours.</p>	<p>Positive comment acknowledge</p>

15. RECORD OF COMPLAINTS

Nr	Detail		
	Complaint:	Date Recorded >	dd MMM yy
	Objective evidence obtained:		
	Close-out information:		
		Date Closed >	dd MMM yy

End of Public Summary