
SCOPING AUDIT REPORT

Grandis Timber Limited

FSC FM / COC - CERTIFICATION	SINGLE	<input checked="" type="checkbox"/>
	GROUP	<input type="checkbox"/>
	Multi FMU	<input type="checkbox"/>
	SLIMF	<input type="checkbox"/>
	SLIMF Group	<input type="checkbox"/>

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1 Basic Information

Evaluated Enterprise:		
Name:	Grandis Timber Limited	
Region/ Country:	Kampong Speu Province / Cambodia	
Address:		
Name: Street: Postal Code; City: Country:	61B Street 261 Group 17, Sangkat Teuk Leak 3 Khan Toul Kok Phnom Penh Cambodia	
Contact person:	Contact for FSC	Contact for GFA
Name: Phone: Mobile phone: Email: Web :	Daniel Mitchel + 855 23 882 173 + 855 92 744 631 danielmitchell@grandistimber.com ---	Daniel Mitchel + 855 23 882 173 + 855 92 744 631 danielmitchell@grandistimber.com ---
Date of Audit:	24. – 26.06.2012	
Date of Report:	05.07.2012	
Auditor:	Henning Peter	
Products and product type:	<input checked="" type="checkbox"/> Roundwood (logs) (# W1.1) <input type="checkbox"/> Christmas trees <input type="checkbox"/> non-timber forest products: _____ (# _____) <input type="checkbox"/> Other products: _____ (# _____)	
Certification Body:		
GFA Consulting Group GmbH GFA Certification Eulenkrogstraße 82 22359 Hamburg GERMANY	Contact person: Phone: Fax: E-mail: Web :	Mr. Carsten Huljus, Program Director +49-40-60306 147 +49-40-60306 149 certification@gfa-group.de www.gfa-certification.de

2 Forest Characteristics

<p>Geographic location:</p> <p>Latitude: <u>104°08'30.28 O</u></p> <p>Longitude: <u>11°31'19.34"N</u></p>	<p>Forest zone:</p> <p><input type="checkbox"/> Boreal <input type="checkbox"/> Temperate <input type="checkbox"/> Subtropical <input checked="" type="checkbox"/> Tropical</p>	<p>Forest Type:</p> <p><input type="checkbox"/> Natural <input checked="" type="checkbox"/> Plantation <input type="checkbox"/> Semi-natural and mixed plantation & natural forest</p>																
<p>Tenure ownership:</p> <p><input type="checkbox"/> Indigenous <input checked="" type="checkbox"/> Government <input type="checkbox"/> Private <input type="checkbox"/> Public <input type="checkbox"/> Communal</p> <p>Tenure management:</p> <p><input checked="" type="checkbox"/> Concession <input type="checkbox"/> Community <input type="checkbox"/> Private <input type="checkbox"/> Public</p>	<p>Major tree species:</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;">Trade name</th> <th style="width:50%;">Latin name</th> </tr> </thead> <tbody> <tr> <td>Teak</td> <td>Tectona grandis</td> </tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>		Trade name	Latin name	Teak	Tectona grandis												
Trade name	Latin name																	
Teak	Tectona grandis																	
<p>Certified forest area:</p> <p>Total: <u>12.187 ha</u></p> <p>FMU numbers:</p> <table style="width:100%;"> <tr> <td style="width:50%;"><100 ha:</td> <td style="width:50%;">FMUs</td> </tr> <tr> <td>100-1000 ha:</td> <td>FMUs</td> </tr> <tr> <td>1000-10.000 ha:</td> <td>FMUs</td> </tr> <tr> <td>> 10.000 ha: 1</td> <td>FMUs</td> </tr> </table> <p>Total FMUs: <u>1</u></p>	<100 ha:	FMUs	100-1000 ha:	FMUs	1000-10.000 ha:	FMUs	> 10.000 ha: 1	FMUs	<p>AAF class</p> <p><input type="checkbox"/> Before e-cert</p> <p><input type="checkbox"/> Boreal forests <input type="checkbox"/> Community forestry <input type="checkbox"/> Conservation of natural forests <input type="checkbox"/> NTFP <input checked="" type="checkbox"/> Plantations <input type="checkbox"/> Temperate forests <input type="checkbox"/> Tropical forests</p>	<p>Type of certificate:</p> <p><input type="checkbox"/> SLIMF <input type="checkbox"/> small <input type="checkbox"/> low intensity</p> <p><input checked="" type="checkbox"/> Single FMU</p> <p><input type="checkbox"/> Multiple FMU</p> <p><input type="checkbox"/> Group</p> <p><input type="checkbox"/> SLIMF Group</p> <p>Number of Group members: _____</p>								
<100 ha:	FMUs																	
100-1000 ha:	FMUs																	
1000-10.000 ha:	FMUs																	
> 10.000 ha: 1	FMUs																	

3 Additional Information

Of the total forest area, which includes:

9,820 ha plantation

9,820 ha are production forest

2,523 ha are managed primarily for conservation objectives,

--- ha are managed primarily for production of NTFP or services,

--- ha are classified as High Conservation Value Forests (HCVF)

List of high conservation values present (classified according to categories defined by the ProForest HCVF Toolkit: ---

Forest regenerated primarily by replanting: 9,820 ha

Forest regenerated primarily by natural regeneration: --- ha

Total number of employees of forest enterprise: 200

Number of forest workers: 187 (and up to 1,600 seasonal workers)

List of chemical pesticides used / reason for use:

Round-up (Isopropylamine salt of glyphosate) reason: weed control as preparatory treatment in tree nurseries

Approximate annual allowable cut (AAC) of commercial timber (cubic meters of round wood) by species

--- m3 per year

Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type.

--- m3 per year

4 Forest operation

4.1 Regional forestry framework

Description (legislation, administration and land use contexts, roles of government agencies involved in forest management):

The basis for forest management is the Cambodian Forestry Law.

The Cambodian Forestry Administration (FA) is a government authority under the Ministry of Agriculture, Forestry and Fisheries (MAFF) in managing forests and forest resources according to the National Forestry Sector Policy and the Forestry Law.

The Forestry Administration has a unique management and organization structure for the whole country in vertical line, which divided into central, inspectorate, cantonment, division, and triage forestry administration levels.

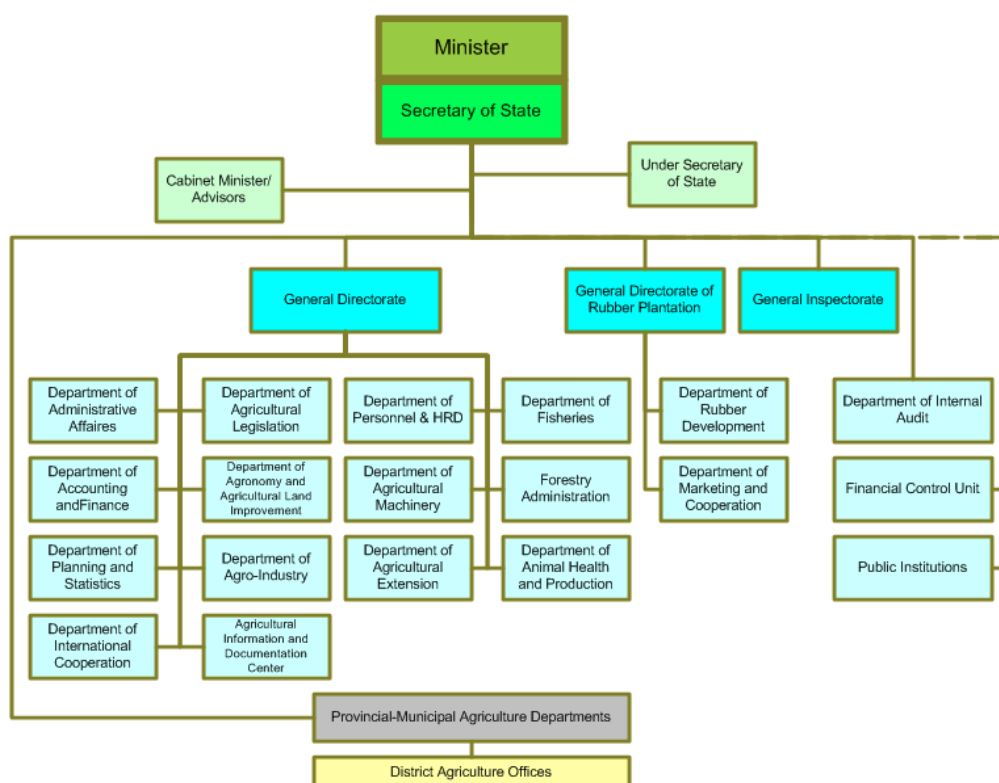


Figure 1: Organisational Chart of the Ministry of Agriculture, Forestry and Fisheries

There is no particular regulation for forest plantations because they are considered as agricultural crops.

Cambodia has one of the worst deforestation rates in the world. Since 1970, Cambodia's primary rainforest cover went from over 70 percent in 1970 to 3.1 percent today. Worse, deforestation rates in Cambodia continue to accelerate. The overall rate of total forest loss

has jumped nearly 75 percent since the close of the 1990s. In total, Cambodia lost 2.5 million hectares of forest between 1990 and 2005 334,000 hectares of which were primary forest. Today, less than 322,000 hectares of primary forest remain.

While the Cambodian government has struggled to enforce environmental regulations in the face of corruption and illegal activities, it has shown interest in reducing deforestation and setting up protected areas. On paper, more than 20 percent of Cambodia is under some form of protection.

Cambodia is home to some 521 species of birds, 127 mammals, and 116 reptiles, although recent census counts indicate that some species are locally extinct in the country.

4.2 Evaluated forest enterprise

4.2.1 Description of the structure of the forest enterprise

a) Organization, FMUs, management structures, ownership, responsibilities etc:

Grandis Timber Limited is a commercial reforestation company, focused on establishment of timber plantations on previously deforested lands.

Grandis Timber Limited is a joint venture between SRP International Group Ltd., and Capricorn Forest Fund K/S, under the management of International Woodlands Company A/S (IWC) of Denmark.

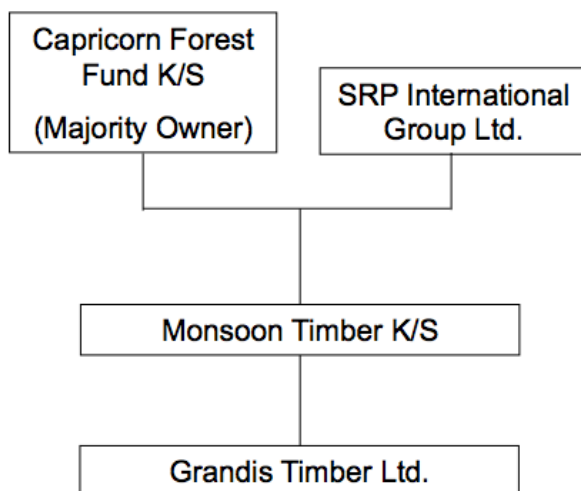


Figure 2: Company Owner Structure

Grandis Timber Ltd. is managed by its CEO, Mr. Daniel Mitchel and a management team embracing all important areas regarding commercial forest plantation, e. g. forest management operations, business operations, human resources, IT, training or quality control.

The company’s head office is situated in Phnom Penh. The company also owns an office at the central camp on the plantation site in Kampong Speu Province.

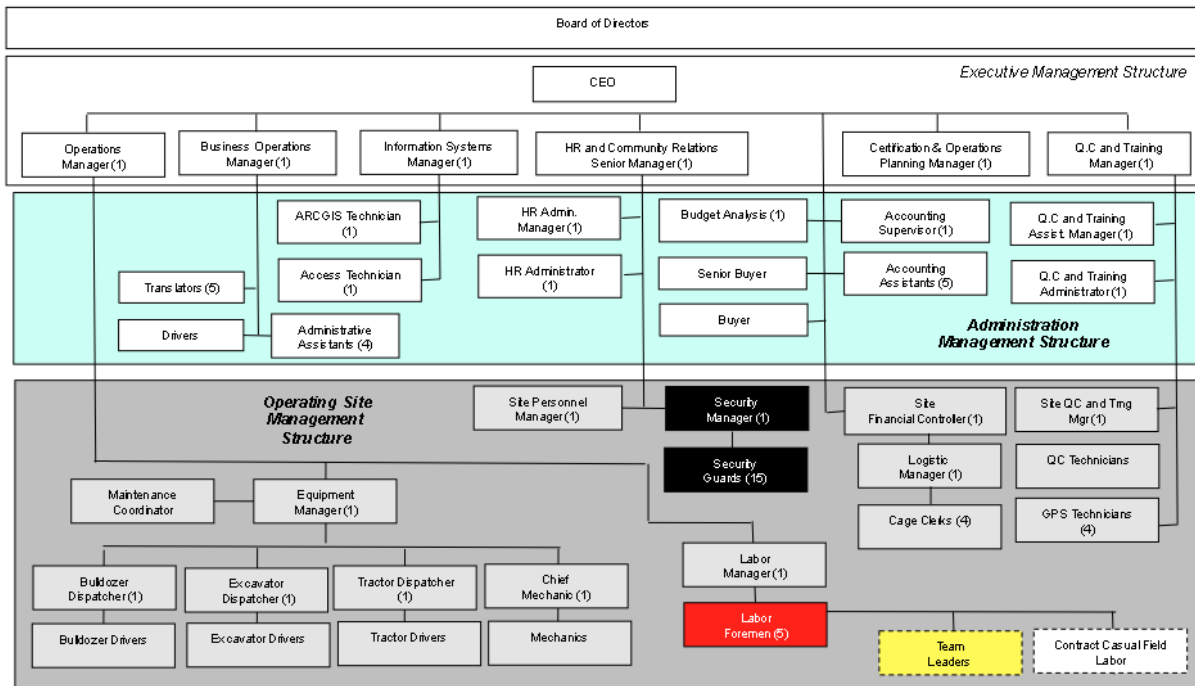


Figure 3: Organisational Structure of Grandis Timber Ltd.

The responsibilities at each management level and even for the forest workers are detailed in the company’s labor policy and respective procedures.

Grandis Timber Ltd. manages a concession of state-owned land of a total of 9,820 ha. Apart from the concession, the concession contract also commits the company to guarantee the maintenance of 2,523 ha state-owned conservation areas neighboring the concession area (see below – figure 5).

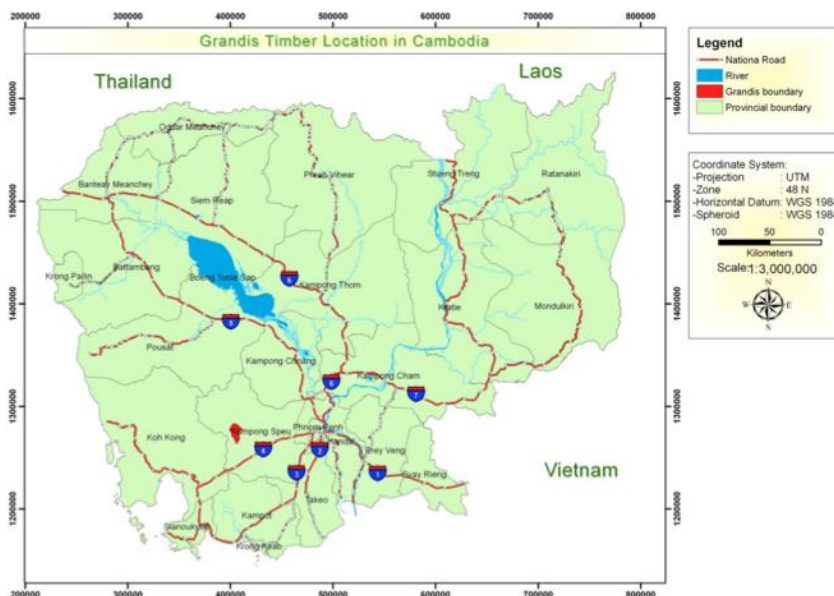


Figure 4: Location of Grandis Timber concession

The plantation area embraces also the following uses: nurseries, clone orchard, worker camp, stores for planting tools, fertilizers, pesticides, fuels and lubricants, spare parts, generator for electric energy and roads.

The company has set up three nurseries, which have a production capacity of 9.0 million tree seedlings.

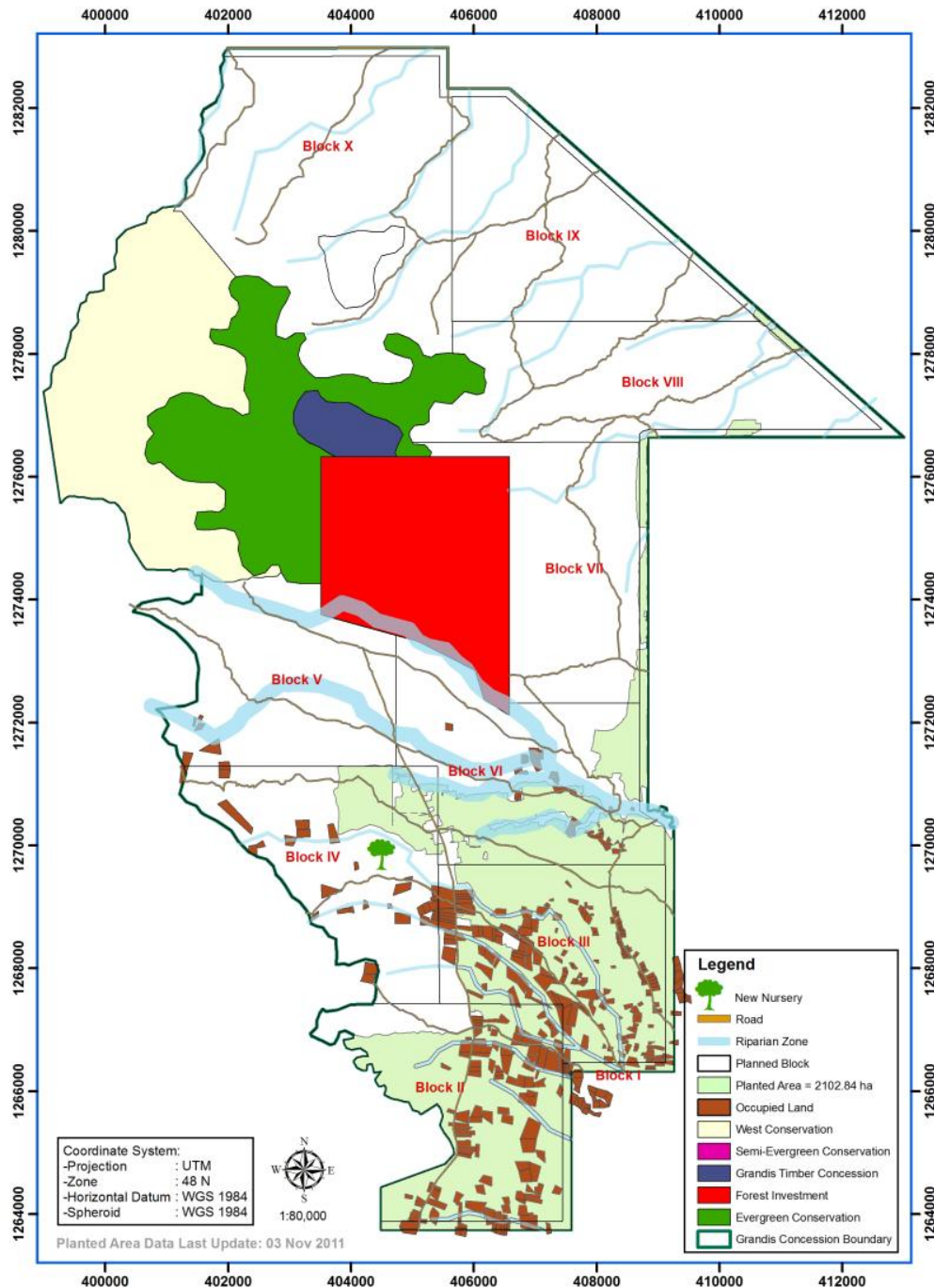


Figure 5: Map showing all areas under management of Grandis Timber Ltd.

b) Areas over which the certificate holder has any responsibilities / land use:

Grandis Timber Ltd. manages a concession of state-owned land of a total of 9,820 ha.

Apart from the concession, the concession contract also commits the company to guarantee the maintenance of 2,523 ha state-owned conservation areas neighboring the concession area (see map above – figure 5).

c) Partial certification does apply: YES NO

Reason and description of the control mechanism that are in place to ensure that there is no risk of confusion being generated as to which activities or products are certified, and which are not:

4.2.2 Description of the ownership and land use

a) Ownership and use-rights (legal and customary) of 3rd parties other than the certificate holder:

Within the concession there live 310 smallholder farmer families, occupying 682 ha of the concession land. Grandis Timber Ltd. has surveyed the smallholdings and marked the limits in the field. The data generated is being used by Cambodian Government and GIZ to pilot a “Circular 2” pilot program.

Although these smallholder do not have legal rights to stay in the concession, Grandis Timber Ltd. respect their customary rights to live there and to manage their holdings.

b) Non-forestry activities within the area evaluated, (e.g. mining, agriculture, hunting.)

Within the area, managed by Grandis Timber Ltd., the neighboring smallholder farmer carry out the following non-forestry activities:

- Mushroom collection (mainly in conservation areas).
- Herbal plant collection (mainly in conservation areas).
- Small-scale harvest of bamboo (in the riparian zones).

All other activities like hunting and grazing have been forbidden by Grandis Timber Ltd. because they jeopardize the forest plantation. This ban of activities the smallholders were accustomed to, have been explained in detail to them through socialization workshops and integration of the community leaders. Today it does not present a major constraint as nearly all neighboring smallholders have family members who work full-time or as seasonal workers for Grandis Timber Ltd.

c) Description of outsourced processes (e.g. Harvesting, Skidding, sale of wood, on a regular basis, sometimes?):

Work in the forest enterprise is outsourced: yes no

Do to the lack of qualified forest service providers, Grandis Timber Ltd. has to carry out all forest management processes on its own.

4.2.3 Summary of the management plan

a) Management objectives;

Grandis Timber Ltd. is guided by a mission, goals and related objective:

Mission of Grandis Timber:

The creation and management of timber plantation assets in Cambodia of a quality appealing to international institutional investors

Goals of Grandis Timber:

Creation of long term value for our shareholders

Establish industry leadership within the regional emerging markets in the following areas:

- Profitability / Return on Investment
- Tropical Hardwoods Plantation Technical Expertise
- Operating Procedures and Efficiencies
- Environmental Sustainability
- Social Responsibility

Objectives of Grandis Timber:

To accomplish the mission and goals stated above, the following objectives must be met over the next 5 years:

1. Establishment of a 9820 hectare teak plantation
2. Continuous Improvement of:
 - Operating Procedures / Methods
 - Plant Materials
 - Tracking, Reporting and Management of Plantation Data
3. Provide training and development for local staff in the following areas
 - Technical: Forestry, Silviculture, Agriculture
 - Business: Management, Finance, Data Management, Human Resources, Ethical Conduct
 - Health and Safety
4. Achievement of International Certifications
 - ISO 9000
 - ISO 14001
 - Forest Stewardship Council (FSC) Certification

b) Forest composition, especially for the production forests (yielding forest products):

The land managed by Grandis Timber Ltd. is composed of degraded land, formerly having been natural forest and different areas covered by natural forest (also exploited), declared as conservation sites by the Cambodian Government.

Foreseen for plantation with teak (*Tectona grandis*) is the degraded land, around 9,820 ha.

Grandis Timber Ltd. has started reforestation in 2011.

c) Silvicultural and/or other management:

Grandis Timber Ltd. produces teak (*Tectona grandis*) seedlings in its own nurseries. The company runs three nurseries on the concession site with a production capacity of up to 9 million seedlings per year. Seedlings are produced utilizing improved clones. Grandis Timber Ltd. runs its own clone orchards.

Before planting, the sites are prepared by the following measures:

- Small diameter wood and stumps in each planting compartment is removed by a specially designed bulldozer that removes the brush but does not displace much soil while removing woody plant material from the surface. Using a chainsaw, small diameter logs will be cut to length that can be handled and loaded onto trucks or wagons by two men. All trees with diameters of ≥ 30 cm DBH will be maintained.
- Discing breaks up soil by displacing it sideways. The soil will be disked to break up the vegetation left on the surface after brush removal. The disc may be attached to the back of the bulldozer or maybe a separate operation on an agricultural tractor. In open areas where the mouldboard plow can easily cut the soil, this set may be skipped.
- Moldboard plows overturns the soil rather than displacing it sideways. (Reference Figures 2 and 3) The area will be plowed with a moldboard plow to overturn the soil placing existing vegetation, under the surface where it will break down adding nutrients in structure to the soil.
- Teak performs best when the feeder roots are kept very well drained. To ensure good drainage during the critical growth, immediately prior to planting, the planted area will be mounded and contoured. The contouring will be approximately 0.3 meters. It is anticipated that through shifting and the build up of litter, the soil will level itself within a few years after canopy closure.

Seedlings will be planted on a 2.5 m triangular spacing to maximize utilization of the space available. This results in an initial planting density of 1975 seedlings per hectare. The seedling planting will be completed manually utilizing local laborers.

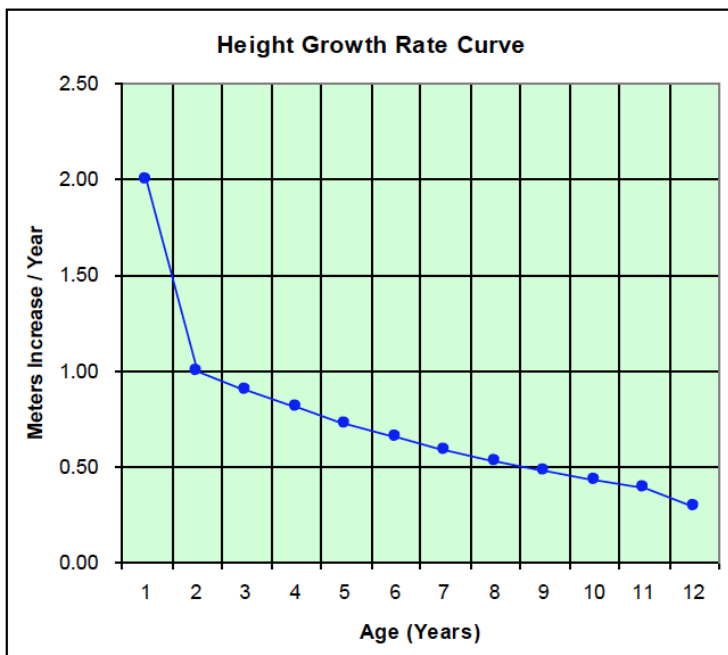
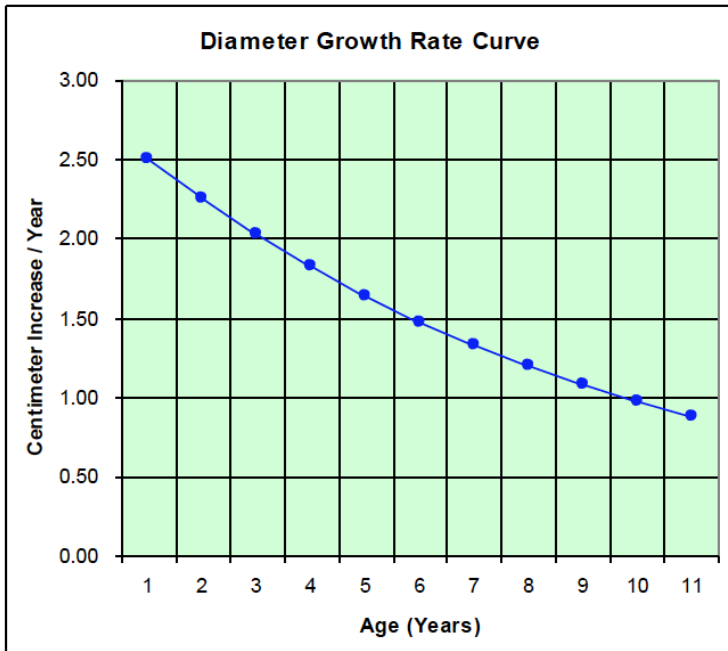
Weeds will be kept under control for a combination of efforts:

- A moldboard plow will be utilized for site preparation, overturning the soil placing existing vegetation under the soil surface, severely inhibiting regrowth and is also used during the first and second year for weed control between planting lines.
- Within the planting rows, weeds will be removed periodically during the first and part of the second year after planting

From year 3 onwards, the trees will be pruned in order to produce high quality timber.

The thinning and harvest management strategy to be employed is to maximize the interaction between diameter growth, quality of the logs grown, and the length, with the objective of optimizing the output of a given plot. Management of the timing of thinning to maximize the MAI for as long as possible at first thinning, and second thinning and final harvest is very important. This strategy requires aggressive management/monitoring of diameter and height growth rates, in correlation to the basic quality and potential of the site (Site Yield Index), incremental inputs (fertilizer and organic material) and annual rainfall for a given year. To implement this strategy, the elements presented below will be implemented.

The below graphs depicts the most important silvicultural parameters.



Growth and Yield Assumptions											
Age	CM Mean DBH	Annual Increase (cm)	Usable Height Meters	Height Growth Rate Meters	Vol/Tree Cubic Meters	Vol/Tree Increase Per Year	Number of trees per Planted Hect.	Number of Commercially Salable Trees per Hectare	Cubic Meters of Standing Timber per Hect	Cubic Meters Thinned or Harvested	MAI Cubic Meters per Hectare
1	2.50	0	1.56	2.00	0.00003		2021	1718	0		0.1
2	5.00	2.50	2.34	1.00	0.00115	0.001	1940	1649	2		0.9
3	7.25	2.25	3.04	0.90	0.00388	0.003	1940	1649	6		2.1
4	9.28	2.03	3.67	0.81	0.00986	0.006	1940	1649	16		4.1
5	11.10	1.82	4.24	0.73	0.01863	0.009	1940	1649	31		6.1
6	12.74	1.64	4.75	0.66	0.02989	0.011	1940	1649	49		8.2
7	14.21	1.48	5.21	0.59	0.04319	0.013	1940	1649	71		10.2
8	15.54	1.33	5.63	0.53	0.05806	0.015	1940	1649	96		12.0
9	16.74	1.20	6.00	0.48	0.07402	0.016	1940	1649	122		13.6
10	17.81	1.08	6.34	0.43	0.09065	0.017	1940	1649	149		14.9
11	18.78	0.97	6.64	0.39	0.10758	0.017	1940	1649	177		16.1
12	19.65	0.87	6.87	0.29	0.12368	0.016	970	824	102	75	8.5
13	21.53	1.88	7.65	1.00	0.15081	0.027	970	824	124		9.6
14	23.03	1.50	8.35	0.90	0.19757	0.047	970	824	163		11.6
15	24.23	1.20	8.98	0.81	0.24316	0.046	970	824	200		13.4
16	26.10	1.88	9.55	0.73	0.28620	0.043	485	412	118	82	7.4
17	27.60	1.50	10.33	1.00	0.35935	0.073	485	412	148		8.7
18	28.80	1.20	11.03	0.90	0.42914	0.070	485	412	177		9.8
19	30.13	1.33	11.66	0.81	0.49402	0.065	485	412	204		10.7
20	31.33	1.20	12.23	0.73	0.56701	0.073	485	412	234	283	11.7

d) Inventory methods, data sources

Grandis Timber Ltd. is planning to set-up a permanent sample plot system (260 plots) to monitor the following parameters:

- Age
- Height
- Diameter
- Basal Area
- Taper
- Volume
- Form
- Crown
- Percentage Canopy Cover

The inventory method is described in general terms but no detailed procedures has been developed yet (see also non-compliance 2012-15)

e) Environmental safeguards;

The company focuses on the following environmental safeguards:

- No burning of removed shrubs and small-diameter trees.
- Incorporate biomass (weeds, leaves, branches) into the soil by ploughing.
- Maintain native trees with diameters ≥ 30 cm DBH on the planting sites.
- Protect conservation areas and buffer zones along water courses (riparian zones).
- Conserve smaller plots of natural vegetation within plantation area (e.g. rocky areas, small hills, wet areas, poor soil areas).

- Enrich conservation areas with native species which have been exploited smallholder farmers and today at a very low density (e.g. Dalbergia ssp., Pterocarpus ssp., Apzelia ssp.).
- Prohibiting hunting and fishing within the concession area.

f) Management strategy for the identification and protection of rare, threatened and endangered species

In 2010 Grandis Timber Ltd. carried out a profound environmental and social impact study (see annex). In the context of this study, the company applied the following methodology for identifying rare, threatened and endangered species:

- Surveillance conducted on variety of plant species prevailing in Grandis Timber Ltd.'s concession area geographically located in Kompong Speu province's Oral and Phnom Sruoch districts, which is based on general surveillance. 81 sample lots were categorized applying the random sampling method, and distributed throughout the concession area
- Fauna survey: Fauna survey was conducted using line-transect method at length of 37 km. The method includes traveling through the routes and taking record of wildlife species or either side of the routes. Through transect walk, the record could only be specifically made in the dense forest due to the fact this type of forest enables quiet passage by the surveyors along the routes regardless of their directions. According to the fauna survey, some animal species (especially large mammals) and bird species are identified as Taxa which is suitable for the survey by an expert group with the local guides to lead the way. Bird species are characterized and known by their appearance and/or their sound. And the mammal species are listed by their appearance at sight and other signs: footprints, habitats or pools, excrement, traces left on the trees, and their sound. Majority of the animal species spotted during the survey are some sorts already known by the visiting team.

There have no rare, threatened or endangered species been identified neither within the concession area, nor in the conservation areas.

Nonetheless, Grandis Timber Ltd. has signed a Memorandum of Understanding with the environmental NGO "Conservation International – CI". CI will conduct a profound survey of wildlife with an expert group in order to survey animal species occurrence and for establishing a wildlife monitoring system.

g) Procedures for monitoring growth, yield and forest dynamics (incl. changes in flora and fauna), environmental and social impacts, and costs, productivity, and efficiency.

The monitoring system for growth, yield and forest dynamics (permanent sample plot system) has been described above, as well as the development of a fauna monitoring system.

Cost, productivity and efficiency of the forest management operations are surveyed on a monthly base, documenting, reporting and analyzing all relevant data as a basis for future and timely management decisions.

Social impact studies regarding impacts of forest management operations to the neighboring populations is carried out periodically. The above mentioned environmental impact study also embraced social issues. Apart from this, Grandis Timber maintains records regarding illness

and accidents of its employees, records of meeting with community leaders and records of any complaint presented by neighbors of the concession area.

h) Annual harvest by main commercial species:

Species (common/scientific name)	Annual allowable cut	Annual harvest
Tectona grandis	---	---

The teak plantation is still at its implementation stage.

i) Mean of annual harvest matches with sustainable yield: YES NO

No harvest at the moment.

j) Explanation of this assumption (mean annual increment, regeneration etc.):

See i).

k) Summary of mgmt. plan is publicly available: YES NO

Grandis Timber provides a copy of its “Master Plan” to every interested party. The Master Plan is the basic document describing all important issues related to the business and was part of the approval of the Ministry of Agriculture, Forestry and Fisheries for selling the land concession to Grandis Timber.

Until now the company does not own a website but it is under construction. As soon as the company has set up a website, the Master Plan will put online, accessible for everybody.

4.3 SLIMF eligibility

Not applicable

Forest enterprise	is small (< 100 ha)	<input type="checkbox"/> (specific country limit)	
	is between 100-1000 ha	<input type="checkbox"/> and has a mean annual harvest	
		less than 20% of MAI	<input type="checkbox"/>
		less than 5000 m3/year	<input type="checkbox"/>
	in case of SLIMF group certification, this is valid for all group members		<input type="checkbox"/>

5 Evaluation process

5.1 Standards used for the evaluation

- National FSC Standard for (country) _____, Version _____
 GFA Generic FM Standard, adapted for Kingdom of Cambodia 20.02.2012, Version 1.0

A description of the adaptation process is included in the introduction part of applicable GFA Generic FM Standard available under www.gfa-certification.de. National FSC Standards can be obtained from the websites of the National Initiative.

5.2 Sampling and Field Visit

5.2.1 List of FMUs selected for scoping audit

According to the procedures for sampling as stated in the GFA FM-CoC Auditors Handbook and according to FSC-STD-20-007 the following FMUs have been selected for field visits:

All Not all

5.2.2 General itinerary with dates (for each FMU)

Date	Location	Scope of Visit	Remarks/ Participants
24.06.2012	Conference Room at Intercontinental Hotel, Phnom Penh	<ul style="list-style-type: none"> • Presentation of Grandis Timber staff and of the auditor • Explication of the audit process • Clarification of the scope of the audit • Presentation of Grandis Timber's business and forest management approach • Check of all critical aspects related to forest management operations of Grandis Timber • Checking documents • Clarification of open questions • Discussion with representatives of NGO 'Conservation International' • Planning of the field visit 	Daniel Mitchel, CEO Grandis Timber Ltd. Mogens Pederson, Sustainability Management IWC Luke Clay, Certification Manager Grandis Timber Ltd. Robert Clark, Executive Forester Grandis Timber Ltd. Greg Prat, Budget & Accounting Manager, Grandis Timber Ltd. Yin Meay, HR CRM Manager Grandis Timber Ltd. Maek Kun, IT Manager Grandis Timber Ltd. Tracy Farrell, Conservation International, SR Technical Director Adam Keatts, Conservation International Cambodia, Economic Team Leader Henning Peter, Lead Auditor GFA
25.06.2012	Concession area in Kompong	<ul style="list-style-type: none"> • Check of the central worker camp and different stores (fuel, generator, tools, fertilizers, 	Daniel Mitchel, CEO Grandis Timber Ltd. Mogens Pederson, Sustainability

	Speu Province	pesticides, spare parts) <ul style="list-style-type: none"> • Interview of 2 community leaders • Visit of one conservation area and one riparian zone • Visit of a site recently having been prepared for planting (block V, compartment s 2 and 3) • Visit of a site being planted in August 2011 (block III, compartment 11) • Visit of three tree nurseries 	Management IWC Luke Clay, Certification Manager Grandis Timber Ltd. Robert Clark, Executive Forester Grandis Timber Ltd. Yin Meay, HR CRM Manager Grandis Timber Ltd. Henning Peter, Lead Auditor GFA
26.06.2012	Conference Room at Intercontinental Hotel, Phnom Penh	<ul style="list-style-type: none"> • Check of documents • Final discussions related to non-compliances with respect to the FSC standard • Adjusting stakeholder list for main audit • Planning date for main audit 	Daniel Mitchel, CEO Grandis Timber Ltd. Mogens Pederson, Sustainability Management IWC Luke Clay, Certification Manager Grandis Timber Ltd. Robert Clark, Executive Forester Grandis Timber Ltd. Yin Meay, IT Manager Grandis Timber Ltd. Maek Kun, Certification Manager Grandis Timber Ltd. Henning Peter, Lead Auditor GFA

During the evaluation both field and office visits have been arranged. Visited stands/ forest areas were selected by the audit team in cooperation with the forest management. Compliance with selected FSC P&C was assessed and discussed at these examples.

5.2.3 Total person days required for audit

Scoping audit	
Stakeholder consultation	-
Document review	2
Field Audit	1
Report	1.25
TOTAL	4.25

5.2.4 Evaluation Personnel

Position	Name	Qualifications	Status
Lead Auditor	Henning Peter	Forestry Eng., M.Sc.	Freelance Consultant

Additional information about the evaluation personnel as well as their CV is available at the GFA office in Hamburg.

5.2.5 Surveillance audit plan for the company

Year	Sites/member FMU	Issues
20		
20		
20		
20		

5.3 Consultation with stakeholders during the audit

During the scoping audit, the following stakeholder have been contacted and interviewed:

- Staff of Grandis Timber
- Representatives of the environmental NGO 'Conservation International'
- Two community leaders of communities adjacent to Grandis Timber's concession

6 Results of the audit

6.1 Findings by Principles

The evaluation of forest management enterprises are based on indicators. If 50% or more of all indicators per criterion are fulfilled, the criterion is fulfilled. A non-fulfillment of an criterion during the main evaluation will result in a Major Corrective Action Request (Major CAR), impeding the issuance of a certificate until the Major CAR is closed.

A summary of observations, comments and conditions is listed below for each of the indicators assessed during the scoping audit.

Principles and Criteria	Comments	Result
<p align="center">PRINCIPLE #1: COMPLIANCE WITH LAWS AND FSC PRINCIPLES</p> <p>Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.</p>		
<p>Criterion 1.1 Forest management shall respect all national and local laws and administrative requirements.</p>	<p>Grandis Timber Ltd. is in full compliance with Cambodian Law and administrative requirements. Key areas of focus are Investment Law (Commercial Code), Labor Law, Land Law and Environmental Law. The management personnel interviewed during the audit demonstrated awareness of the legal context Grandis Timber Ltd. operates within. No conflicts between national laws and FSC P& C could be identified during the audit.</p>	Fulfilled
<p>Criterion 1.2 All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.</p>	<p>Grandis Timber Ltd. has paid all applicable fees and royalties taxes and other charges payable to date. These payments are documented in the companies accounts, and confirmed by an annual financial audit (last one by PriceWaterhouseCoopers).</p>	Fulfilled
<p>Criterion 1.3 In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected.</p>	<p>Grandis Timber Ltd. forest managers respect CITIES provisions, ITTA and the Convention on Biological Diversity. Grandis Timber Ltd. is in compliance with the ILO Minimum Wage Fixing Recommendation 1970. All other relevant ILO conventions are incorporated into the company's Labor Policy 9007.</p>	Fulfilled
<p>Criterion 1.4 Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case</p>	<p>No conflicts between national legislation and FSC P&C have been identified so far.</p>	Fulfilled

basis, by the certifiers and the involved or affected parties.		
Criterion 1.5 Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.	The company has a security policy ('Security Policy 9002') in place. This policy describes the company's position related to security within the concession area in general terms. Grandis Timber staff has been trained with respect to security and is well aware of the company's policy. Grandis Timber Ltd. has established checkpoints at the entrance roads to the forest concession. All visitors have to register and explain why they want to enter the area. Within the concession area, supervisors control if adjacent smallholder farmers respect the company regulations. The boundaries between the land concession of Grandis Timber Ltd. and neighbouring smallholder farmers are clearly marked.	Fulfilled
Criterion 1.6 Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.	The company has worked out a public statement demonstrating that the company adheres to FSC values. Nonetheless, the CEO has not signed the policy statement yet. Non-compliance 2012-1 Grandis Timber Ltd. does not own a website until now. Therefore, the policy statement is available to the public on demand. Grandis Timber Ltd. only holds responsibility for the land concession included in the scope of certification.	Fulfilled Non-compliance 2012-1
PRINCIPLE #2: TENURE AND USE RIGHTS AND RESPONSIBILITIES Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.		
Criterion 2.1 <i>Clear evidence of long-term tenure and forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated.</i>	Grandis Timber Ltd. owns a 70-year contract for a land concession called 'Contract on the investment of Teak Tree Plantation' signed between the company and the Cambodian Ministry of Agriculture, Forestry and Fisheries. Thus, the land is property of the Cambodian State. No conflicts on tenure and use rights are identified.	Fulfilled
Criterion 2.2 Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.	Grandis Timber Ltd. has conducted an 'Environmental and Social Impact Analysis' in the context of that there has been evaluated if there are any legal or customary tenure or use rights. Grandis Timber has pioneered the implementation of the "Leopard Skin" approach to addressing land tenure issues. Within the boundaries of the FMU there are farms occupied by villagers. As detailed in Grandis Timber's Land Tenure Policy 9008, persons who were occupying land when Grandis Timber took possession of the FMU, have not been relocated. These villagers have no legal title of enforceable rights to the land. In theory, some of these persons might be able to apply for land title under Title II, Chapter 4 Article 30 of the Land Law, which provides for titling if that land was occupied for 5 years prior to the promulgation of the 2001 Land Law. However analysis performed jointly by Grandis Timber and GIZ's Land Rights Program anticipate a low likelihood of success. As an alternative, Grandis Timber, GIZ and the Ministry of Land Management and Urban Planning have jointly been working toward a program to implement a land titling program for occupants meeting the basic requirements Article 30, as a pilot program under Circular 02 Measures Against Illegal Holding of State Land. This circular was issued in 2006, but has yet to be successfully implemented in any area.	Fulfilled

	Neighboring smallholder farmers whose plots are situated within the concession area, are allowed to access their land holdings and also collect fuelwood from the nearby degraded land which will be reforested with teak	
Criterion 2.3 Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.	Grandis Timber Ltd. has pioneered the implementation of the "Leopard Skin" approach to addressing land tenure issues. Within the boundaries of the concession there are farms occupied by smallholder farmers. As detailed in Grandis Timber's Land Tenure Policy 9008, persons who were occupying land when Grandis Timber took possession of the concession, have not been relocated. A dispute resolution process is in place (Reference SOP 5022 Community Dispute Resolution Process). This process is focused on the resolution of land tenure related disputes, because they are the most frequent type of disputes in Cambodia. The process engages the Village authorities. There are no serious disputes with the local community. The only significant outstanding dispute outstanding is with regards to 102 ha within the concession area taken by a large sugar plantation company owned by a Cambodian Senator (Kompong Speu Plantation Company). This matter is being pursued the Ministry of Agriculture Forestry and Fisheries. See also map in the attachment. There is a 'Community Dispute Resolution Process' (SOP 5022) in place which is in accordance with FSC P&C.	Fulfilled
PRINCIPLE #3: INDIGENOUS PEOPLES' RIGHTS The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.		
Criterion 3.1 Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.	There are no communities of indigenous people or ethnic minorities within or near the land concession. The nearest community of Suoy ethnic minority, with a total national population of 1,833 persons is far outside the concession area (References: HCVF Identification Study).	Fulfilled
Criterion 3.2 Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.	See 3.1	Fulfilled
Criterion 3.3 Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.	See 3.1	Fulfilled
Criterion 3.4 Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.	See 3.1	Fulfilled

<p>PRINCIPLE #4: COMMUNITY RELATIONS AND WORKER'S RIGHTS Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.</p>		
<p>Criterion 4.1 The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.</p>	<p>Local people present the major part of the forest workers force. The company ensures that they have equal access to employment and training. Grandis Timber Ltd. provides a 6-week training program to all staff entering in the community, in particular forest workers. Grandis Timber Ltd. supports local communities in the context of a 'friendly and supportive neighborhood'. Support has been granted to local religious events, schools (materials) and maintenance of road infrastructure. The company's Labor Policy 9007 prohibits discrimination of employees by any account. Grandis Timber Ltd. does not contract services. All personnel are company's employees. The wages paid are as high as for government employees at comparable positions and are in accordance with national legislation.</p>	<p>Fulfilled</p>
<p>Criterion 4.2 Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.</p>	<p>The company's managers are aware of national and international (ILO) guidelines regarding health and safety of staff. The company has developed a labour policy ('Labor Policy 9007') which is applied in practice. The risks of all works to employ in the context of teak reforestation and management is analysed and protective measures are described in different procedures ('Labor Policy 9007, SOP 4013 Occupational Health and Safety – Risk Quantifying'). All staff receives safety training for the task to fulfill, before entering into the job and after that at a regular time frame maintaining and improving related skills. All workers are provided with safety equipment as demanded by ILO and national regulations. During the audit the worker camp was checked. It has the capacity to accommodate up to 32 workers. All facilities have been in accordance with the ILO Code of Practice on Safety and Health in Forestry, except the dormitories having no lockers or shelves where the workers could store their belongings. Non-compliance 2012-2 Employees' payment (wage) continues also in the case of severe accidents, which do not allow employees to continue working. The company does not work with contractors.</p>	<p>Fulfilled Non-compliance 2012-2</p>
<p>Criterion 4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labour Organisation (ILO).</p>	<p>Grandis Timber Ltd. is in full compliance with Cambodian Labor Law and the ILO Conventions. Workers can contact their next superior to express their concerns or any other manager. They are also permitted to express their concerns in written form. Until the audit, there was no procedure in place on how to handle grievance and disputes. The procedure 'SOP 7000' is still under development. Non-compliance 2012-3 All employees of Grandis Timber Ltd. sign written contracts. In the case of illiterates, the responsible administrative staff read and explains the contract to the future employee. Many of the forest workers are illiterates.</p>	<p>Fulfilled Non-compliance 2012-3</p>

	The contracts have also been reviewed by the Cambodian Ministry of Labor.	
Criterion 4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.	<p>Before starting their forest management operations, Grandis Timber Ltd. has conducted an extensive 'Initial Environmental Social Impact Assessment' that analysed all social dimensions required by the Criterion. Grandis Timber Ltd. also conducted a Social and Economic Impact Assessment in 2009 in cooperation with the NGO Rural Development International Cambodia (RDI). The outcomes were the following:</p> <ol style="list-style-type: none"> The first survey was a full census of all persons within the boundaries of the FMU. A subsequent study of surrounding communities was completed using a sampling method. A two year follow up survey using sampling was completed of persons within the FMU. <p>These baseline surveys will be up-dated on a regular basis. The data and information obtained through these assessments have been important inputs for the company's 'Master Plan' and are considered in all operational planning. Grandis Timber Ltd. has regular contact with several NGOs (e. g. CI), the Ministry of Agriculture, Forestry and Fisheries, GIZ and other stakeholders at the national level. At the local level, the company has established regular meetings with the village chiefs and neighboring smallholder farmers.</p>	Fulfilled
Criterion 4.5 Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.	<p>Community issues are resolved through the process defined in a particular procedure (SOP 5022 Community Dispute Resolution Process). Neighboring communities have been informed and provided with a physical copy of the procedure and the complaints process has been explained to them.</p>	Fulfilled
<p>PRINCIPLE # 5: BENEFITS FROM THE FOREST Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.</p>		
Criterion 5.1 Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.	<p>Grandis Timber Ltd. is a large-scale forestry investment, financed by Capricorn Forest Fund. Capricorn Forest Fund has contractually committed approximately US\$ 32 million investment into the project. Thus, there is an investment plan and a work plan, even for each year in place. The annual budget details all costs related to the investment. For the next years there will be no income as the project is within its investing phase. Grandis Timber Ltd. undertakes several investments to maintain the ecological productivity of the forest plantations, e.g.:</p> <ul style="list-style-type: none"> Plantation of autochtone tree species in conservation areas. <p>Applying low impact measures and no use of chemicals within the plantation areas.</p>	Fulfilled
Criterion 5.2 Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.	<p>The company is at the implementation phase of a forestry plantation. At present there are no products, which are harvested. At the earliest, in 10 years (2021) there will be the first thinnings, which will provide products.</p>	Fulfilled

<p>Criterion 5.3 Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</p>	<p>At present, there is no harvesting, as the company is at the implementation phase of a forestry plantation. At the earliest, in 10 years (2021) there will be the first thinnings, which will provide products.</p>	<p>Fulfilled</p>
<p>Criterion 5.4 Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</p>	<p>The planning of the forest investment foresees the production of a wide variety of products, including non-timber forest products. provide sustained employment to the local work force. These include:</p> <ul style="list-style-type: none"> • Contract Vegetable Farming • Live stock and Poultry • Bamboo Processing • Continued Nursery Operations for External Supply 	<p>Fulfilled</p>
<p>Criterion 5.5 Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.</p>	<p>Because of the topography (nearly flat terrain) of the FMU there is minimal watershed impact. A report on watershed impact is being completed by Dr. Benjamin Bostick of the earth Institute at Columbia University. There are only very small rivers, which are not important for fisheries (see HCVF Area Identification Report). There are guidelines in place on how to protect water courses (conservation areas), avoid erosion and minimize soil degradation (Reference: 'Master Plan'). There are no habitats of commercially or culturally important fish species within the land concession area of the company.</p>	<p>Fulfilled</p>
<p>Criterion 5.6 The rate of harvest of forest products shall not exceed levels which can be permanently sustained.</p>	<p>All future projections for the forestry investment are clearly stated within the 'Master Plan'. It is still too early to predict harvesting levels at the moment (inception phase of investment). No wood harvested.</p>	<p>Fulfilled</p>
<p>PRINCIPLE #6: ENVIRONMENTAL IMPACT Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.</p>		
<p>Criterion 6.1 Assessment of environmental impacts shall be completed -- appropriate to the scale, intensity of forest management and the uniqueness of the affected resources -- and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations.</p>	<p>Grandis Timber Ltd. has conducted an extensive 'Environmental Social Impact Assessment - ESIA' embracing all relevant aspects related to environmental dimensions. The planning in the context of the company's 'Master Plan' and operational work plans (yearly), are based on the findings and conclusions of the ESIA.</p>	<p>Fulfilled</p>
<p>Criterion 6.2 Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting,</p>	<p>All potentially rare, endangered or threatened species and their habitats have been identified. In 2010 Grandis Timber Ltd. carried out a profound environmental and social impact study (see annex). In the context of this study, the company applied the following methodology for identifying rare, threatened and endangered species:</p> <ul style="list-style-type: none"> • Surveillance conducted on variety of plant species prevailing in Grandis Timber Ltd.'s concession area geographically located in Kompong Speu province's 	<p>Fulfilled Non-compliance 2012-4</p>

<p>fishing, trapping and collecting shall be controlled.</p>	<p>Oral and Phnom Sruoch districts, which is based on general surveillance. 81 sample lots were categorized applying the random sampling method, and distributed throughout the concession area</p> <ul style="list-style-type: none"> • Fauna survey: Fauna survey was conducted using line-transect method at length of 37 km. The method includes traveling through the routes and taking record of wildlife species on either side of the routes. Through transect walk, the record could only be specifically made in the dense forest due to the fact this type of forest enables quiet passage by the surveyors along the routes regardless of their directions. According to the fauna survey, some animal species (especially large mammals) and bird species are identified as Taxa which is suitable for the survey by an expert group with the local guides to lead the way. Bird species are characterized and known by their appearance and/or their sound. And the mammal species are listed by their appearance at sight and other signs: footprints, habitats or pools, excrement, traces left on the trees, and their sound. Majority of the animal species spotted during the survey are some sorts already known by the visiting team. <p>At present, there are no rare, threatened and endangered species within the FMU (Reference: HCVF Area Identification Report and ESIA). Nonetheless, Grandis Timber Ltd. has signed a Memorandum of Understanding with the environmental NGO "Conservation International – CI". CI will conduct a profound survey of wildlife with an expert group in order to survey animal species occurrence and for establishing a wildlife monitoring system. A total of 2523 hectares, not including the riparian zones (20.4% of the area under the management of Grandis Timber Ltd. under the Concession Agreement) will be set aside as conservation area. These areas will be mapped demarcation, monitored and protected under the companies Policy 9002 'Security Policy'. The protection of riparian zones and the establishment of a mosaic of small conservation plots, apart from the extensive conservation areas, foster migration of animal and plant species. Hunting, fishing and grazing is prohibited. There is no procedure in place yet, but under development. Non-compliance 2012-4</p>	
<p>Criterion 6.3 Ecological functions and values shall be maintained intact, enhanced, or restored, including: a) Forest regeneration and succession, b) Genetic, species, and ecosystem diversity, c) Natural cycles that affect the productivity of the forest ecosystem.</p>	<p>According to research results presented by Grandis Timber Ltd, teak seems to be appropriate to the natural conditions (soils, rainfall regime, climate) found in the area where the forest plantation is being established. The establishment is undertaken on degraded, formerly forest land. The harvesting system is not defined yet, as the project is still in its inception phase. The establishment of teak plantations varies in terms of compartment size. Compartments planted with teak also include small conservation areas (rocky areas, wet areas, riparian conservation zones, small hills). No felling at present. Compartments planted with teak also include small conservation areas (rocky areas, wet areas, riparian conservation zones, small hills). At present there is no procedure on how to handle dead wood in order to ensure that standing dead wood is retained.</p>	<p>Fulfilled Non-compliance 2012-5</p>

	Non-compliance 2012-5	
Criterion 6.4 Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.	<p>Samples of existing ecosystems within the concession area are maintained, as for instance:</p> <ul style="list-style-type: none"> • Riparian zones along water courses • Wet areas • Rocky areas • Small hills 	Fulfilled
Criterion 6.5 Written guidelines shall be prepared and implemented to: control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.	<p>No harvesting activities at present and for the next 10 years (thinning). Roads are being constructed during land clearing. Appropriate machinery is used (excavator, grader and roller). Road design is simple and appropriate. No procedures or guidelines regarding road construction and maintenance have been developed so far.</p> <p>Non-compliance 2012-6 Buffer zones (riparian zones) are established as conservation areas along watercourses (small rivers and creeks). The boundaries of these riparian zones are marked in the field with red-painted posts, so that operators of machinery now were to halt land preparation and workers now where to stop with planting. Riparian zones are also demarcated on maps (see attachment). Each group of machines (e. g. 3 tractors preparing land for planting) are equipped with oil leakage equipment. Nonetheless, there is no guideline or procedure in place describing how to handle oil leakages.</p> <p>Non-compliance 2012-7 Conservation areas are demarcated with red post in the field in order to signalize forest workers and machine operators where to stop preparation of land for planting. No timber harvesting operations at present. Workers receive training regarding different topics. At present, there is no written training program.</p> <p>Non-compliance 2012-8</p>	<p>Not fulfilled Non-compliance 2012-6 Non-compliance 2012-7 Non-compliance 2012-8</p>
Criterion 6.6 Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks.	<p>The company uses pesticides only in the nurseries in order to control weeds before preparing for tree seedlings (Round-up). No pesticides are used on site. The only biological control agent used are flocks of geese in the nursery to control defoliant pest. These are controlled by staff and caged at night. Numbers are monitor and maintain at an approximate ratio of 1 goose per 10 nursery sections. At present there are no elaborated written strategies for pest, disease or weed control in place. The company is developing guidelines for goose management and herbicide application.</p> <p>Non-compliance 2012-9 Currently only the herbicide 'Round-up' is used in the nurseries. There is no up-dated list of used pesticides and documented quantities available.</p> <p>Non-compliance 2012-10 Prohibited pesticides are not used. Grandis Timber Ltd. has strict rules about the use of pesticides and documents their utilization (inventory list in stores, disposal of empty bottles). For the use of the herbicide 'Round-up', workers are provided safety equipment as demanded by ILO. Workers have been trained regarding the correct and safe use of the equipment. No use of herbicides close to watercourses and during</p>	<p>Fulfilled Non-compliance 2012-9 Non-compliance 2012-10</p>

	<p>rainy season. Round-up' recipients are stored in locked stores. Only authorized personnel has access to these stores. Stores are equipped with safety tools (extinguishers).</p>	
<p>Criterion 6.7 Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.</p>	<p>Although the company is developing guidelines (Standard Operating Procedures), nonetheless at the moment of the audit there were no guidelines on the use and disposal of chemicals, containers, liquid and non-organic waste available. Non-compliance 2012-11 Environmentally friendly lubricants and fuel are not available in Cambodia. All stores of fuel and lubricant disposal are well designed in order to protect soils and water from pollution. Only the generator store at the central camp did not have a protecting border at the bottom of the entrance door to avoid fuel or oil run-off, there were no oil-binding substances and no extinguisher in the store. Non-compliance 2012-12 Waste oil is collected by the vendor. All chemical and lubricant containers are either returned to the vendor or inventory controlled by number for tracking and disposal at an off site location, but there is no guideline on waste disposal and waste handling available. Non-compliance 2012-13</p>	<p>Not fulfilled Non-compliance 2012-11 Non-compliance 2012-12 Non-compliance 2012-13</p>
<p>Criterion 6.8 Use of biological control agents shall be documented, minimized, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.</p>	<p>Apart from geese, there are no biological control agents used. Grandis Timber Ltd. does not use genetically modified organisms.</p>	<p>Fulfilled</p>
<p>Criterion 6.9 The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.</p>	<p>The use of teak (<i>Tectona grandis</i>) is well justified in terms of suitability given the site conditions of the concession area. There are no adverse environmental impacts known for teak plantations. Teak is not an aggressively invasive species. Trees planted will not begin seeding for 6 to 7 year. A monitoring plan will be put in place to cull any teak found in areas set aside for conservation. This will be incorporated into the Conservation Plan.</p>	<p>Fulfilled</p>
<p>Criterion 6.10 Conversion of natural forest into plantations or non-forest land uses within the forest management unit shall not occur, except in circumstances where conversion: a) entails a very limited portion of the forest management unit; and b) does not occur on high conservation value forest areas; and c) will enable clear, substantial, additional, secure, long term conservation benefits across the forest management unit.</p>	<p>Grandis Timber Ltd. took responsibility of the concession area in 2009 and thus cannot be made responsible for destruction of natural forests in the past. The plantation of teak does only take place on sites, which do not own a tree cover that could be called 'natural forest'. All sites with natural forests are conserved.</p>	<p>Fulfilled</p>

PRINCIPLE #7: LAND-USE and MANAGEMENT PLAN

A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long term objectives of management, and the means of achieving them, shall be clearly stated. The forest management plan is integrated into the overall land-use planning and is based on periodical inventories.

<p>Criterion 7.1 The management plan and supporting documents shall provide:</p> <p>a) Management objectives. b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands. c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories. d) Rationale for rate of annual harvest and species selection. e) Provisions for monitoring of forest growth and dynamics. f) Environmental safeguards based on environmental assessments. g) Plans for the identification and protection of rare, threatened and endangered species. h) Maps describing the forest resource base including protected areas, planned management activities and land ownership. i) Description and justification of harvesting techniques and equipment to be used.</p>	<p>Grandis Timber Ltd. has developed a 'Master Plan' for the forest investment. This plan was also subject to approval by the Cambodian Ministry of Agriculture, Forestry and Fisheries in order to obtain the contract for the land concession.</p> <p>The 'Master Plan' fulfills all aspects detailed in the context of Criterion 7.1.</p> <p>Some information provided in the Master Plan is not up-to-date and does not reflect the current strategy and practice applied by Grandis Timber Ltd., for instance the following aspects:</p> <ul style="list-style-type: none"> • Planting density • Planting rate per year (in ha) • Weed control • Use of pesticides • Land-uses <p>Non-compliance 2012-14</p> <p>There is no harvesting planned for the next 20 years.</p>	<p>Fulfilled Non-compliance 2012-14</p>
<p>Criterion 7.2 The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.</p>	<p>There is an annual review of the management plan for operational planning for the next year. There are also monthly operational plans.</p> <p>Grandis Timber Ltd. contracted environmental NGOs to conduct serval studies. The outcomes of these studies are also considered in operational planning.</p> <p>There is also a procedure describing the revision and adaptation process of the company's 'Standard Operating Procedures (SOP)'.</p> <p>The company stays in close contact with the Ministry of Agriculture, Forestry and Fisheries and with international environmental NGOs like Conservation International or WWF and also universities from the US and Europe.</p> <p>The recommendations of these organisations are considered in operational planning or, if appropriate, even at the strategic level of the Master Plan.</p> <p>The established or being established monitoring system considers changes in environmental, social or economic conditions as a basis for operational planning.</p> <p>Grandis Timber Ltd. maintains regular contact with internationally recognized Universities.</p>	<p>Fulfilled</p>
<p>Criterion 7.3 Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.</p>	<p>All Grandis Timber Ltd. staff, including workers, are trained in basic ecological and technical aspects of the forest management task they fulfill.</p> <p>There is an initial 6-week training for new workers.</p> <p>To special tasks, like herbicide use, workers are introduced by particular training.</p> <p>Each worker group (e. g. 15 for planting trees) have an assigned supervisor who controls permanently the work quality.</p> <p>Forest managers at a superior level control periodically supervisors and workers.</p> <p>The frequency of control is appropriate to the tasks –</p>	<p>Fulfilled</p>

	supervisors control forest workers at daily intervals.	
Criterion 7.4 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.	Grandis Timber Ltd. provides the Master Plan on request as long as the company's website has not been established. Once the website is established, the document will be available on the website.	Fulfilled
<p>PRINCIPLE #8: MONITORING AND ASSESSMENT</p> <p>Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.</p>		
Criterion 8.1 The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.	<p>Grandis Timber Ltd. has identified several activities which require monitoring, for instance:</p> <ul style="list-style-type: none"> • Monitoring of seedlings produced in the nurseries. • Monitoring of planted areas. • Monitoring of expenses. • Erosion monitoring system for identified areas and roadways. <p>Although activities to be monitored are identified and some are on the way, there lack procedures regarding monitoring of plant growth (e.g. permanent sample plots) and monitoring of environmental aspects (these are on the way but were not available during the audit).</p> <p>Non-compliance 2012-15</p> <p>The forest management operations have started recently.</p>	Not fulfilled Non-compliance 2012-15
Criterion 8.2 Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators: a) Yield of all forest products harvested. b) Growth rates, regeneration and condition of the forest. c) Composition and observed changes in the flora and fauna. d) Environmental and social impacts of harvesting and other operations. e) Costs, productivity, and efficiency of forest management.	<p>No harvest at present.</p> <p>Standard growth models are applied for teak growth projections.</p> <p>The first teak plantation was established in 2011. This area is being monitored regarding plant health and vitality.</p> <p>Monitoring of the designated conservation areas is still in development.</p> <p>The 'Environmental Social Impact Assessment' embraces data collection and interpretation of environmental and social indicators.</p> <p>All costs are recorded in detail. All expenses are audited once the year by external auditing entities.</p>	Fulfilled
Criterion 8.3 Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain of custody."	<p>No forest products currently.</p> <p>No use of the FSC trademark at present.</p>	Fulfilled
Criterion 8.4 The results of monitoring shall be incorporated into the implementation and revision of the management plan.	All monitoring results align the development of the annual and even monthly operational plans.	Fulfilled
Criterion 8.5 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.	<p>Currently there is no publicly available summary of the monitoring results, based on criterion 8.2.</p> <p>Non-compliance 2012-16</p>	Not fulfilled Non-compliance 2012-16

<p>PRINCIPLE #9: MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.</p>		
<p>Criterion 9.1 Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.</p>	<p>Grandis Timber Ltd. has conducted an extensive assessment of all high conservation values. The assessment has not been sent for consultation to relevant stakeholders. Non-compliance 2012-17 The outcome of the assessment is that there are no HCVF in the FMU. The HCVF assessment is documented and sources of information are referred to. No HCV are present in the FMU.</p>	<p>Fulfilled Non-compliance 2012-17</p>
<p>Criterion 9.2 The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.</p>	<p>No HCVF identified.</p>	<p>Fulfilled</p>
<p>Criterion 9.3 The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.</p>	<p>No HCVF identified.</p>	<p>Fulfilled</p>
<p>Criterion 9.4 Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.</p>	<p>No HCVF identified.</p>	<p>Fulfilled</p>
<p>PRINCIPLE # 10: PLANTATIONS Plantations shall be planned and managed in accordance with Principles and Criteria 1 - 9 and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.</p>		
<p>Criterion 10.1 The management objectives of the plantation, including natural forest conservation and restoration objectives, shall be explicitly stated in the management plan, and clearly demonstrated in the implementation of the plan.</p>	<p>The Master Plan described the objectives of plantation management in detail. An extensive conservation area is protected and planned to be restored. Other degraded sites are reforested with teak. The Master Plan and operational plans are implemented.</p>	<p>Fulfilled</p>
<p>Criterion 10.2 The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests. Wildlife corridors, streamside zones and a mosaic of stands of different ages and rotation periods shall be used in the layout of the plantation, consistent with the</p>	<p>The area planted with teak is clearly demarcated on maps and in the field. Natural forests covering the adjacent conservation areas are maintained by protection and restoration measures. The Master Plan embraces the following aspects:</p> <ul style="list-style-type: none"> • Description of plantation design (mosaic of plantation and conservation plots). • Rationale and description of conservation areas, including riparian zones with corridor function. 	<p>Fulfilled</p>

<p>scale of the operation. The scale and layout of plantation blocks shall be consistent with the patterns of forest stands found within the natural landscape.</p>	<p>The landscape of the concession area are totally degraded remnants of natural forest (not longer being defined as forest), wild grazing areas and small agricultural plots. The teak plantation will restore the totally degraded site. There are no local development plans with prescriptions for land-use.</p>	
<p>Criterion 10.3 Diversity in the composition of plantations is preferred, so as to enhance economic, ecological and social stability. Such diversity may include the size and spatial distribution of management units within the landscape, number and genetic composition of species, age classes and structures.</p>	<p>Teak plantation compartments are of different size and interwoven with smaller and bigger conservation zones. The enterprise does only work with teak for commercial forest plantation. Other tree species are planted in the conservation zones. Grandis Timber Ltd. has analyzed soil types and classified the sites suitability for teak plantation.</p>	Fulfilled
<p>Criterion 10.4 The selection of species for planting shall be based on their overall suitability for the site and their appropriateness to the management objectives. In order to enhance the conservation of biological diversity, native species are preferred over exotic species in the establishment of plantations and the restoration of degraded ecosystems. Exotic species, which shall be used only when their performance is greater than that of native species, shall be carefully monitored to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.</p>	<p>Teak (<i>Tectona grandis</i>) is suitable to plant under given climatic and soil conditions. Grandis Timber Ltd. is using a wide range of genetic provinces, inclusive of wild seed sourced from natural stands in Thailand and selected clones. Performance of teak (<i>Tectona grandis</i>) is acknowledged and better for given site conditions. Teak is not an invasive species.</p>	Fulfilled
<p>Criterion 10.5 A proportion of the overall forest management area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to restore the site to a natural forest cover.</p>	<p>2,523 ha are managed primarily for conservation objectives. Grandis Timber Ltd. describes in the Master Plan the mechanisms for restoring the degraded parts of the conservation area. The conservation area is clearly demarcated on maps.</p>	Fulfilled
<p>Criterion 10.6 Measures shall be taken to maintain or improve soil structure, fertility, and biological activity. The techniques and rate of harvesting, road and trail construction and maintenance, and the choice of species shall not result in long term soil degradation or adverse impacts on water quality, quantity or substantial deviation from stream course drainage patterns.</p>	<p>Soils on the FMU are primarily of sandy composition and susceptible to nutrient leaching. This factor has been illustrated in the change of forest cover over the past 30 years on the site, in a large part due to regular (typically annual) fires, which results in a high loss rate of nitrogen stored in plant biomass during the combustion process, and the remaining nutrients are left in a highly stock soluble state (ash), which is very susceptible to leaching. Details of soils management plan are provided in the Master Plan. Degraded land is planted with teak trees. The reforestation of the degraded land will improve the water retention capacity of the soils.</p>	Fulfilled
<p>Criterion 10.7 Measures shall be taken to prevent and minimize outbreaks of pests, diseases, fire and invasive plant introductions. Integrated pest management shall form an essential part of the management plan, with primary reliance on prevention and biological control methods rather than chemical pesticides and</p>	<p>Teak has limited susceptibility to diseases and pest. The primary issue is defoliation in the nursery environment. The company's Master Plan describes pest management in detail. Fire is primarily controlled through regular disc plowing (annually during first 2 years) between the tree rows. Vines and other competitive plants are manually weeded as required. Grandis Timber Ltd. has eliminated the use of chemical pesticides across all plantation operations. The area with</p>	Fulfilled

<p>fertilizers. Plantation management should make every effort to move away from chemical pesticides and fertilizers, including their use in nurseries.</p>	<p>the greatest pest risk has been is in the nursery operations, where geese have been implemented as pest control. Only the herbicide 'Round-up' is used in the nurseries to control weeds at the establishment phase. Use of fertilizer is minimized through a plant/soil nutrient management plan under development, and in coordination within with Dr. Benjamin Bostick of Columbia University's Earth Institute. The core principle of the plan is to determination the trees needs to achieve the annual growth objectives (through laboratory tissue analysis), monitoring of soil nutrients annually and optimization of fertilizer application, both in terms of quantity and delivery method.</p>	
<p>Criterion 10.8 Appropriate to the scale and diversity of the operation, monitoring of plantations shall include regular assessment of potential on-site and off-site ecological and social impacts, (e.g. natural regeneration, effects on water resources and soil fertility, and impacts on local welfare and social well-being), in addition to those elements addressed in principles 8, 6 and 4. No species should be planted on a large scale until local trials and/or experience have shown that they are ecologically well-adapted to the site, are not invasive, and do not have significant negative ecological impacts on other ecosystems. Special attention will be paid to social issues of land acquisition for plantations, especially the protection of local rights of ownership, use or access.</p>	<p>Trials of teak in the region have shown that the species is appropriate to the given site conditions. Teak plantations are established on degraded land. Teak plantations are only established on land that is not reclaimed by smallholder farmers living in the area. People living in the area benefit from becoming employed by Grandis Timber Ltd.</p>	<p>Fulfilled</p>
<p>Criterion 10.9 Plantations established in areas converted from natural forests after November 1994 normally shall not qualify for certification. Certification may be allowed in circumstances where sufficient evidence is submitted to the certification body that the manager/owner is not responsible directly or indirectly of such conversion.</p>	<p>Grandis Timber Ltd. has purchased the concession in 2009 and thus is not responsible for natural forest degradation and transformation in the past.</p>	<p>Fulfilled</p>

n.a. = not applicable, criterion not applicable for evaluation.

6.2 Chain of Custody

6.2.1 Integrated processing or trading activities

Integrated processing or trading associated with the forest management enterprise must be inspected for compliance with the appropriate COC standard separately.

Integrated processing facilities or trading activities of wood from other sources are foreseen to be included in the scope of certificate:

no yes, namely _____

6.2.2 Tracking, tracing and identification of certified products

A description of the internal chain-of-custody (COC) is necessary, since timber is sold from specific landings and/ or transported over longer distances, where a mix with products from non-certified sources might be possible.

Grandis Timber Ltd. is at the very beginning of its reforestation activities. Teak (*Tectona grandis*) is a relatively slow growing species. First thinning operations through which a product will be harvested that should be tracked through an internal CoC, will not be carried out before 2021 (10 years after having planted the first plots).

Thus, at this stage of forest plantation management it is not necessary to have an internal CoC system in place.

6.3 Strength and weaknesses

As main strength points for the forest enterprise are recognized:

- Well established and documented (e. g. Standard Operating Procedures) management system.
- Well qualified and experienced staff.
- Integration of FSC P&C into the Master Plan for forest management operations.
- A considerable area is designated to conservation purposes and these are planned to be enhanced.
- Strong commitment to social responsibility related to the adjacent populations.
- Strong emphasize on training and improving skills and performance of not experiences forest workers.

As main weaknesses for the forest enterprise / the group are recognized:

See chapter "Identified non-compliances"

7 Identified non-compliances

Non compliance	Standard, P&C	Description
Non-compliance 2012-1:	<i>1.6.1 An appropriate statement is included in the official documents of the forest enterprise or the forest service committing the organization to adhere to the FSC certification standards on the forest under</i>	The company has worked out a public statement demonstrating that the company adheres to FSC values. Nonetheless, the CEO has not signed the policy statement yet.

	assessment. For large operations (>10.000 ha), the FME shall have a publicly available policy.	
Non-compliance 2012-2:	4.2.5 Where workers stay in camps, conditions for accommodation and nutrition comply at least with ILO Code of Practice on Safety and Health in Forestry.	During the audit the worker camp was checked. It has the capacity to accommodate up to 32 workers. All facilities have been in accordance with the ILO Code of Practice on Safety and Health in Forestry, except the dormitories having no lockers or shelves where the workers could store their belongings.
Non-compliance 2012-3:	4.3.3 A point of contact for workers with problems is established. Workers should have the opportunity to express their concerns in confidential form (e.g. letter boxes).	Until the audit, there was no procedure in place on how to handle grievance and disputes. The procedure 'SOP 7000' is still under development.
Non-compliance 2012-4:	6.2.6 Authorized hunting, fishing, grazing and collecting activities are managed to ensure they do not exceed sustainable levels.	Hunting, fishing and grazing is prohibited. There is no procedure in place yet, but under development.
Non-compliance 2012-5:	6.3.7 Standing and fallen dead wood habitats are retained to an appropriate extend.	At present there is no procedure on how to handle dead wood in order to ensure that standing dead wood is retained.
Non-compliance 2012-6:	6.5.1 Appropriate local guidelines on harvesting and road construction meeting national or regional best practise requirements (like e.g. FAO Model Code of Forest Harvesting Practice) are available to forest managers and superiors (SLIMF : All forest management operations that may damage soil (e.g. compaction, erosion) and methods to mitigate or avoid such are known) .	No procedures or guidelines regarding road construction and maintenance have been developed so far.
Non-compliance 2012-7:	6.5.4 Operators are aware of and able to implement adequate emergency procedures to clean up following accidental oil and chemical spillages.	Each group of machines (e. g. 3 tractors preparing land for planting) are equipped with oil leakage equipment. Nonetheless, there is no guideline or procedure in place describing how to handle oil leakages.
Non-compliance 2012-8:	6.5.8 Workers receive adequate training in harvesting and extraction methods. For large scale FMEs (> 10.000 ha) a written training program and training records are available.	At present, there is no written training program.
Non-compliance 2012-9:	6.6.1. Documented pest, disease and weed control strategies are available.	At present there are no elaborated written strategies for pest, disease or weed control in place. The company is developing guidelines for goose management and herbicide application.
Non-compliance 2012-10:	6.6.3 There is an up-to-date list of all pesticides used in the organisation that documents trade name and active ingredient. Where not provided by the product label, authorized applications, application methods and rates will also be documented.	There is no up-dated list of used pesticides and documented quantities available.
Non-compliance 2012-11:	6.7.1 Guidelines describing the use and disposal of chemicals, containers, liquid and solid non-organic wastes, exist and are implemented	Although the company is developing guidelines (Standard Operating Procedures), nonetheless at the moment of the audit there were no guidelines on the use and disposal of chemicals, containers, liquid and non-organic waste available.
Non-compliance 2012-12:	6.7.4 Soils and water are being protected from pollution.	All stores of fuel and lubricant disposal are well designed in order to protect soils and water from pollution.

		Only the generator store at the central camp did not have a protecting border at the bottom of the entrance door to avoid fuel or oil run-off, there were no oil-binding substances and no extinguisher in the store.
Non-compliance 2012-13:	6.7.5 <i>Proper disposal of waste from equipment or supplies is done.</i>	All chemical and lubricant containers are either returned to the vendor or inventory controlled by number for tracking and disposal at an off site location, but there is no guideline on waste disposal and waste handling available.
Non-compliance 2012-14:	7.1.1 <i>The management plan gives information on the management objectives.</i>	Some information provided in the Master Plan is not up-to-date and does not reflect the current strategy and practice applied by Grandis Timber Ltd., for instance the following aspects: <ul style="list-style-type: none"> • Planting density • Planting rate per year (in ha) • Weed control • Use of pesticides • Land-uses
Non-compliance 2012-15:	8.1.2 <i>A plan and design, based upon consistent and replicable procedures exists and is implemented for periodic monitoring and reporting</i>	Although activities to be monitored are identified and some are on the way, there lack procedures regarding monitoring of plant growth (e.g. permanent sample plots) and monitoring of environmental aspects (these are on the way but were not available during the audit).
Non-compliance 2012-16:	8.5.1 <i>Regular summaries of monitoring results and analysis by FMU are available to the public. Large scale enterprises (> 10.000 ha) actively inform the public during regular stakeholder meetings (see 4.4.4). (SLIMF: upon request, FME shall make available relevant parts of the management plan to stakeholders who are directly affected by the forest management activities).</i>	Currently there is no publicly available summary of the monitoring results, based on criterion 8.2.
Non-compliance 2012-17:	9.1.1 <i>The FMU has been adequately assessed (in consultation with relevant organisations, e.g. conservation organisations, regulatory authorities and other local and national stakeholders) and any HCVF and their biological and/or socio-economic or cultural attributes have been identified</i>	The HCVF assessment has not been sent for consultation to relevant stakeholders.

8 Summary of audit

During the audit 17 non-compliances regarding the relevant FSC standard have been identified.

Grandis Timber Ltd. was very well prepared for the scoping audit and most non-compliances referred to documents which are already being developed.

No major stumbling blocks for FSC certification could be identified during the audit which would require big efforts or much time to overcome the identified non-compliances.

9 Next steps

The non-conformities mentioned above shall be corrected before a main evaluation. The client is asked to send one comprehensive report on the fulfillment of all detected non-conformities to GFA for revision. If the client is confident to comply with all relevant criteria included in the applicable standard for forest management GFA will agree on the date and program for the main evaluation. GFA will carry out a stakeholder consultation at least four weeks prior to the main evaluation. The results and comments will be considered in the main evaluation.

10 Agreements

Between GFA and the client it is hereby agreed, that the report will be sent to the client for review and comments. If the client does not send a comment within 21 days (date of post stamp), GFA will assume, that no comments will be made and that the client agrees to the report.

On an additional form the client accepts the report and the corrective-action-requests therein and assures to fulfill the CARs in the indicated timeframe.

11 Annex

List of supporting documents relevant for the client:

- Master Plan of Grandis Timber Ltd.
- Environmental Social Impact Assessment
- HCVF assessment
- Investment contract
- Company registration Grandis Timber Ltd. (certificate).
- Labor Policy
- Land Tenure Policy
- Security Policy
- IWC Code of Conduct
- Several 'Standard Operating Procedures – SOP'
- Procedure describing development of SOPs
- List Audit Participants

Further reading:

www.fsc.org

www.proforest.net