## Corrective Action Request Verification Report

### Organization Name:
Southland Plantation Forests Ltd. (SPFL)

### Certificate Code:
SW-FM/COC-001130

### Location:
New Zealand

### Report Date:
July 27, 2010

### I. AUDIT PROCESS

**Auditor, qualifications:**
Indu Bikal Sapkota has been working as a Forester and Forest Management and Verification Services Coordinator, Asia Pacific Region, Rainforest Alliance, SmartWood since July 2009. He is responsible for the management of the SmartWood forest management client portfolio and for servicing present and prospective clients in all matters related to forest management certification, carbon, and verification. He is a climate focal person of the region. Indu holds an international master’s degree (MSc) in Tropical Forestry from Wageningen University, the Netherlands. Prior to joining Rainforest Alliance, Indu spent over 10 years working in forestry and conservation in Asia and Europe. He has also worked as a facilitator for the SmartWood Assessor Training Program too. He has received the SmartWood Carbon and Forest Management Assessor Training and Lead Auditor Training. He has been involved intensively in FSC FM assessment/audit; CoC assessment/audit, and Carbon projects as an auditor as well as project manager. Until now, he has taken part at 17 audits/reassessments; and led 8 of them as a lead auditor.

**Audit date:**
July 27, 2010

**Review process:**
Two set of documents including 2010 annual audit report were reviewed.

<table>
<thead>
<tr>
<th>Audit overview:</th>
<th>Through the review of documents, the two open CARs were closed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes to procedures since last audit:</td>
<td>SPFL has developed a clear CoC system and documented procedure.</td>
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</table>
II. CAR REVIEW

**CAR 01/10**  
**Reference to Standard: CoC 1.3, 2.1, 2.2, 5.1, 5.2, and 5.3**

The FME shall update the CoC procedures to ensure they meet all the current requirements stated in the SmartWood Chain of Custody Standard for Forest Management Enterprises (FM 35). This revision shall also include all requirements for FSC STD 40-201 (FSC On Product Labeling Requirements), FSC TMK 50-201 V1.0 (FSC Requirements For The Promotional Use of the FSC Trademarks by FSC Certificate Holders) and FSC-ADV-40-010 (FSC requirements for outsourcing).

**Audit findings:**

2010 AA (April 2010): The FME has not developed a full CoC or trademark use procedures to meet the current requirements.

2010 CVA (July 2010): The FME has developed a full CoC or trademark use procedures to meet the current requirements. The SPFL provided a document that outlines SPFL procedures of Quality Management, Certified Material Handling/Segregation & Outsourcing; Labeling and Trademark Use; and procedures of Record Keeping.

Moreover, the FME also provided an Outsourcing Agreement (OA) between Southland Plantation Forest Company of NZ (SPFL) and Southwood Export Ltd (SWEL) administered for FSC-Certified Products. As laid out in the document, the person assigned to be responsible for all of SPFL’s record keeping, Labeling & Logo approval requests, provision of Production & Sales Summaries and any other reporting requirements of SPFL’s COC documentation will be the General Manager of SPFL, or in his/her absence, the Company Secretary of SPFL.

With these documented evidences, the CAR 01/10 is closed.

**Status:** CLOSED

**Follow-up Action (if applicable):**

**CAR 02/10**  
**Reference to Standard: CoC 3.1**

The FME shall amend invoice details to state FSC pure woodchips and controlled wood chips.

**Audit findings:**


2010 CVA (July 2010): As clearly mentioned in the provided document on SPFL CoC documented control system, it is mentioned that for all materials sold by SPFL, the sales and shipping documentation include SPFL’s FSC certificate registration code (SW-FM/COC - 001130) and “FSC pure” certified claim. These documents include the cargo plans, commercial invoice, sale/purchase orders and FSC product production reports.

With this documented evidence, the CAR 02/10 is closed.
Status: CLOSED
Follow-up Action (if applicable):

III. CONCLUSIONS

Audit Conclusions: ☒ CAR(s) closed
☐ No follow-up required
☐ New CAR issued (document new noncompliance in CAR table below)

☐ CAR(s) open

☐ Company shall be suspended (Major CAR is not met)

☐ Minor non-conformance has become a major non-conformance
  (see CAR tables below)

Comments/ Follow-up actions at next audit:

Corrective Action Requests (CARs):
Note: insert CARs

<table>
<thead>
<tr>
<th>CAR #:</th>
<th>Reference Standard #:</th>
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</thead>
<tbody>
<tr>
<td>Non-compliance:</td>
<td>[enter description of non-compliance]</td>
</tr>
<tr>
<td>Major</td>
<td>Minor</td>
</tr>
<tr>
<td>Corrective Action Request:</td>
<td></td>
</tr>
<tr>
<td>Timeline for compliance:</td>
<td></td>
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</tbody>
</table>

Report Approved by: Indu Bikal Sapkota

Date: August 2, 2010

NOTE: Report approval is required when auditor is not an authorized to approve SW reports or when the audit conclusion is suspension of the certificate.