Public Notification

To: Interested Parties  
From: SCS Global Services  
Date: March 20, 2014  
Re: Notification of Change in Scope to Midway Limited CoC certification

SCS Global Services (SCS) has completed an assessment of the Midway Limited’s Chain of Custody (CoC) system in the context of a certificate transfer from Midway’s previous certifying body to SCS Global Services. As part of the transfer and associated audit, the scope of the Midway CoC certificate has changed with respect to the sourcing and use of material meeting the FSC definition of “Controlled Wood.”

As of 6th March 2013, the scope of the Midway FSC CoC certificate no longer includes wood sourced from land owned and or managed by Midway. All wood sourced from land owned and or managed by Midway cannot be treated as FSC Controlled Wood until such time as the Midway Plantations have been certified against the FSC Controlled Wood Standard for Forest Management Enterprises (FSC-STD-30-010). That certification process is presently underway.

Background Information:

This change was made to comply with the FSC Directive 40-005-18 that prohibits companies from sourcing controlled wood on land that they own or manage under FSC-STD-40-005 due to concerns over impartiality. This is a future requirement for existing CoC certificate holders. The two standards (40-005 and 30-010) have similar substantive requirements, but the 30-010 audit has stricter procedural requirements.

The result of this change is that the scope of Midway’s current 40-005 Controlled Wood risk assessment no longer includes controlled wood from land owned and or managed by Midway. The updated risk assessment can be viewed on the FSC database: http://info.fsc.org/details.php?id=a0240000008F0rcAAC&type=certificate.

Midway transferred their certificate to SCS, as a certifying body accredited to audit to both FSC chain of custody and controlled wood forest management standards. As part of the transfer, Midway’s own forest lands were audited against the FSC Controlled Wood Standard for Forest Management Enterprises (FSC-STD-30-010) and Midway’s other wood sources were audited against the FSC Standard for Company Evaluation of Controlled Wood (FSC-STD-40-005). The evaluation of Midway’s CoC system was completed on the 21st of February 2014.

Since December 2011, the scope of Midway Limited’s CoC certificate included wood sourced from land owned and or managed by Midway in addition to wood sourced from non-Midway owned and or managed land. These wood sources were certified as FSC Controlled Wood
against the FSC Standard for Company Evaluation of Controlled Wood (FSC-STD-40-005).

In order to source controlled wood from land owned and or managed by Midway, the company must be issued a certificate against FSC-STD-30-010. SCS has not yet issued that certificate due to a major non-conformance that was raised post audit. SCS found that Midway had failed to identify, designate, and appropriately manage areas possessing high conservation values related to “providing basic services of nature in critical situations (e.g., watershed protection, erosion control).” This finding follows from the SCS post audit review as well as an investigation conducted by Accreditation Services International (ASI) in response to a stakeholder complaint during 2013. Midway is being required to revise their High Conservation Value Forest assessment and implement protection measures before the 30-010 certificate can be issued.

SCS made an additional finding related to compliance with the Victorian EPA notices addressing the erosion to a neighboring property. At the time the audit report was finalized, Midway was engaged with the EPA to seek guidance about compliance requirements. Midway will be required to comply with the notices in order to maintain their 30-010 controlled wood certificate.

In summary, Midway Limited maintains a valid FSC chain of custody certificate issued by SCS for controlled wood sourced from non-Midway owned and or managed land. Midway will be able to handle wood sourced from Midway owned and or managed land as FSC controlled wood only once they have been certified against the FSC Controlled Wood Standard for Forest Management Enterprises (FSC-STD-30-010).

As circumstances change, SCS may issue a further notice.