1  INTRODUCTION

Visy Pulp and Paper Pty Ltd (Visy) is an Australian owned company which operates a pulp and paper mill in Tumut NSW. Visy has a controlled wood supply from a variety of softwood plantation sources within Australia for the production of paper products.

Visy obtains its wood from the following softwood plantation supplier districts:

1. Large suppliers with distinct Forestry Management Units (FMUs) who create their own Harvest Plan, e.g. Forestry Corporation of New South Wales (FCNSW), Global Forest Partners (incorporating Hume Forests Ltd, Murray River Forests and Snowy Mountain Forests) (GFP), Hancock Victorian Plantations Pty Limited (HVP) and PF Olsen (Aus) Pty Ltd (PFO).

2. Smaller suppliers where either Visy or a plantation manager prepares a harvest plan on behalf of the owner.

3. Sawmill residues originating from suppliers 1 and 2 above.

Visy’s Controlled Wood supply is currently sourced from plantations located within the Eastern Australia Temperate Forests which falls under the ecoregion category of Temperate Broadleaf and Mixed Forests. Some of our large suppliers (see above) have publically available maps outlining the locations of current plantations within this greater region:

Global Forest Partners:


FCNSW


Hancock Victorian Plantations


PF Olsen

No publically available maps, however maps are available upon request.
Visy has conducted a risk assessment on fibre supply as part of the verification program for Controlled Wood sources under Forest Stewardship Council Standard FSC-STD-40-005 (V2-1) Company Evaluation of Controlled Wood (see VPP 1206-02 FSC CW Annex2 Supplier Risk Assessment Iss 4 January 2016). Visy will evaluate its process for risk determination and mitigation under the current standard FSC-STD-40-005 (v3.0) throughout 2016.

The Australian Forest Stewardship Council has published the FSC accredited National Risk Assessment (NRA) for Australia, and has a determination of low risk for New South Wales (incl. ACT) and Victoria at the Annex 2 level for Controlled Wood criteria. Visy's risk assessment is confined to an Annex 3 verification, focused on High Conservation Values (HCV) only (3.1 and 3.2). The FSC Australia risk assessment found an unspecified risk for HCV for New South Wales (including ACT) and Victoria. Therefore, a verification process according to FSC-STD-40-005(V2-1) Annex 3 needs to be completed for Visy's wood supply. In order for the wood to qualify as Controlled Wood this verification needs to confirm that suppliers have a strong system of control for HCV at all stages of their operations. This verification process has been updated to be consistent with FSC-DIR-40-005-14 and FSC Australia guidance on Controlled Wood implementation.

For the determination of a strong system of control for HCV the FSC Australia HCV evaluation framework Final 3.4 (March 2013) has been used. These guidelines can be found at the following link: [http://au.fsc.org/high-conservation-values.208.htm](http://au.fsc.org/high-conservation-values.208.htm)

In addition to the HCVs (3.1 and 3.2), in the absence of this being included in the current National Risk Assessment (NRA) for Australia and in line with the FSC Directive-40-005-19 ‘Applicable National and Local Laws and Regulations for Controlled Wood risk assessments and verification programs’, Visy will also conduct a risk assessment at the Annex 3 level for Controlled Wood Category 1.1 ‘Evidence of Logging related laws in the district’.

## 2 ASSESSMENT OF SUPPLIER’S SYSTEM OF CONTROL FOR HIGH CONSERVATION VALUES.

<table>
<thead>
<tr>
<th>2.1 Assessment of Supplier’s System of Control for HCV: Large Suppliers</th>
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<tbody>
<tr>
<td><strong>HCV 1:</strong> Forest areas containing habitat for national or state-listed threatened species or species of high significance.</td>
<td><strong>Plant</strong>ed softwood forests (plantations), including FCNSW, GFP and PFO plantations located in southern NSW, operate under the <em>Plantations and Reafforestation Act 1999 The Integrated Forestry Operations Approval 2002</em> (IFOA) does not apply because this legislation is not applicable to plantations.</td>
</tr>
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<td></td>
<td>However, similar planning steps to the IFOA are taken in relation to planted softwoods, and a plan is produced with the aim being to minimise the impact on any known threatened species in addition to a range of other values, such as old growth or rainforest.</td>
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<tr>
<td></td>
<td>HVP operate in northern Victoria under the Victoria Code of Practice for</td>
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Timber Production 2014. This legislation governs the requirements for providing acceptable environmental outcomes when conducting harvesting and other forest operations.

- In the preparation of Harvest Plans, biodiversity geographical information systems (GIS), overlays and a due diligence process are used.

- Prescriptions are included in the harvest plan from researched management actions. In addition, FCNSW, GFP, HVP and PFO are required to carry out pre-harvest surveys to identify the habitat of threatened species, and must also undertake a pre-harvest mark up to protect riparian stream buffers, hollow-bearing trees and numerous other species with specific habitat features during harvesting. Where internal procedures are in place, pre-harvest mark-ups may not be required for stream buffers or endangered species unless geographic records suggest otherwise.

- Softwood plantation harvest plans are available upon request at the plantation owners’ regional offices. Maps of plantation areas are available above under ‘Introduction’.

- FCNSW, GFP, HVP and PFO take additional measures to safeguard rare, endangered species and ecosystems, these include, but are not limited to:

  - Additional research to improve prescription. Research outcomes are fed back into the state’s Environment Protection Authority and the Department of Primary Industries Plantation and Assessment Unit (during revision of license conditions to ensure current best practices are adopted into license conditions wherever possible). An example of this is water management in native forests and plantations. Research is being undertaken into utilising Light Detection and Ranging (LIDAR) technologies to improve landform and topography mapping, hence improving protection of environmental features. This information is summarised in the Harvest Plan, including the management of each identified species or ecosystem.
HCV 2: Forest areas containing large landscape level forests, contained within, or containing the management unit, where viable populations of most, if not all, naturally occurring species exist in natural patterns of distribution and abundance.

- FCNSW manages 6 million hectares in permanent reserves. FCNSW conducts forestry operations in 2.2 million hectares, of which softwood plantations comprise approximately 204,000 hectares located primarily in three regions (Hume, Monaro, and Macquarie), and two Northern Districts (Walcha and Grafton – Visy do not source from these areas). Maps of these are available from FCNSW. All areas have been regionally surveyed and all ecotypes identified.

- Measures to protect the HCV 2 values during harvesting are part of the harvest plan prepared for each forestry operation. Harvest Plans are reviewed by Visy prior to harvest and site visits are conducted regularly.

- Most of GFP, HVP and PFO plantations are not in areas with large intact native forests, or they are located on the edge of such forests. Where plantations are close to intact native forest consistent with the FSC Australia Directory of Information, sources are used to enable mapping of the areas. Most plantations will be a small part of such landscapes and as such will not impact on landscape values. Any measures taken to mitigate such impacts are recorded in the harvest plan.

HCV 3: Forest areas that are in or contain rare, threatened or endangered ecosystems.

- FCNSW addresses the management of these ecosystems in their ‘Ecologically Sustainable Forest Management Plans’ and ‘Softwood Plantations Division – Forest Management Plan’. HVP, HLF and PF Olsen also have similar policies or statements on the management of rare, threatened or endangered ecosystems (HVP Management Plan High Conservation Value Forest, HLF Forest Management Plan, PF Olsen Policies and Standards).

- The items discussed in HCV 1 above also address the management of this HCV.

HCV 4: Forest areas that provide basic services of nature in critical situations such as slope, erosion control, water catchment.

- These values are managed through meeting the requirements of the Plantations and Reafforestation Act 1999. The plantation planning process takes into account the minimisation of issues such as slope, erosion control and water catchment management.

- Currently FCNSW softwood plantations occupy only 1 – 6% of land in any given water catchment area. This area is not considered to cause any measurable impact to water quality within a catchment area (Forest and Wood Products Research and Development Corporation, 2004).

- FCNSW, GFP, HVP and PFO management of soil and water values involves site specific actions undertaken in each harvest unit to mitigate the impact to the soil and water environments. These requirements are formally audited by the EPA and the plantation owners. HVP Plantations are audited by local...
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<table>
<thead>
<tr>
<th>Category</th>
<th>Evidence</th>
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<tbody>
<tr>
<td>HCV 5</td>
<td>Forest areas fundamental to meeting basic needs of local communities (water, food, firewood, shelter, income) with no readily available alternative.</td>
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<tr>
<td></td>
<td>There are no known issues affecting basic needs of local communities in the plantations included in this assessment.</td>
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<tr>
<td>HCV 6</td>
<td>Forest areas critical to local communities’ traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities)</td>
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<td></td>
<td>All cultural and heritage issues are managed under a management plan where one is required. These management plans comply with applicable Commonwealth, State legislation and the <a href="#">FSC HCV Evaluation Framework Final 3.4</a>. Registered maps and sites are also used as well as local knowledge and inventories to identify potential values within harvest plans. The large suppliers have established agreements with local Aboriginal groups to identify and advise on local values.</td>
</tr>
<tr>
<td></td>
<td>Refer above cited Forestry and environmental management plans.</td>
</tr>
<tr>
<td>Controlled Wood Category 1.1</td>
<td>Evidence of Enforcement of Logging Related Laws in the district</td>
</tr>
<tr>
<td></td>
<td>GFP, HVP, PF Olsen and FCNSW are all independently certified to <a href="#">AS4708 Australian Forestry Standard</a>. This standard is considered best practice. They are audited regularly against the standard to ensure compliance.</td>
</tr>
<tr>
<td></td>
<td>Within NSW all plantations (from 2001) over 30 hectares are required to be authorised under the <a href="#">Plantations and Reafforestation Act 1999</a>. The majority of these plantations are managed in accordance with the requirements of the Act.</td>
</tr>
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Victorian Shire Councils, as divulged by EPA (and as stated in the Planning and Environment Act 1987), internally, and by certifying bodies such as FSC Australia. An example of actions can be seen the FCNSW [Softwood Plantations Division – Forest Management Plan](#). HVP, GFP and PF Olsen also have similar policies or statements on the management of this HCV ([HVP Forest Management Plan](#), GFP [Forest Management Policy](#), PF Olsen Policies and Standards).

- FCNSW has undertaken research and modelling of the impacts of plantation operations on stream flow and turbidity to inform and improve water-shed management in the forestry industry.
- In FCNSW, GFP, HVP and PFO plantations, water quality monitoring is undertaken intermittently. HVP Plantations undertake monitoring on sample sites after aerial application of herbicide. FCNSW are also involved in cooperative management with the local catchment management authorities.

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Controlled Wood Category 1.1 Evidence of Enforcement of Logging Related Laws in the district

- GFP, HVP, PF Olsen and FCNSW are all independently certified to [AS4708 Australian Forestry Standard](#). This standard is considered best practice. They are audited regularly against the standard to ensure compliance.
- Within NSW all plantations (from 2001) over 30 hectares are required to be authorised under the [Plantations and Reafforestation Act 1999](#). The majority of these plantations are managed in accordance with the requirements of the Act.
of GFP and PF Olsen plantations are ‘Authorised Plantations’. Authorised plantations are managed in adherence to the Plantations and Reafforestation (Code) Regulation 2001 and are visited periodically by Industry and Investment NSW (I&I NSW) to ensure compliance. The introduction of the Plantations and Reafforestation Act 1999, saw a number of existing processes from various legislation included in the Plantations and Reafforestation Act 1999.

- FCNSW has a current Integrated Forest Operations Approval (IFOA) approval for the applicable State Land. The IFOA is granted in line with the Forestry Act 2012. FCNSW also undergoes regular external audits of their safety systems to ensure compliance to legislation and procedures and policy.
- FCNSW, PF Olsen, Hume Forests and HVP all have a well documented Forestry Management Plans and supporting procedures to ensure adherence to relevant state and national legislation, standards and codes of practice. In addition to these Management Plans, a legal register is maintained to ensure compliance.
- All HVP plantations are FSC certified. HVP also manage a consortium of smaller plantations on behalf of local plantation owners. These plantations are managed using the same processes as their certified sites. All HVP sites in Victoria adhere to the Code of Practice for Timber Production and a Legal Register is maintained and updated through policies and procedures.

2.2 Assessment of Supplier’s System of Control for HCV: Small and Private Suppliers

The majority of private wood suppliers fall within the Small Low Intensity Managed Forest (SLIMF) definition set by FSC Australia (less than 100 hectares refer: FSC-STD-01-003), however some private suppliers are classed as larger suppliers, i.e. HVP, GFP and PFO. Therefore, the SLIMF criteria cannot be used for all private suppliers. Since the legislation covering private wood suppliers (other than FCNSW, GFP, HVP and PFO) is similar, the following actions are in place covering all smaller suppliers. However smaller suppliers will only be expected to carry out assessments consistent with their size and intensity.

HCV 1: Forest areas containing habitat for national or state-listed threatened species or species of high significance.

- Plantation managers use publicly available data consistent with the FSC Australian Directory of Information Sources to determine the presence or absence of species in the plantation and in any immediately adjacent native vegetation.
- If threatened or endangered species of high significance are found the information is included in the harvest plans. An assessment is made as to the likelihood that the harvest activities will negatively impact on those species.
Expert sources of information may be consulted. If there is a potential for impact, a management prescription will be implemented to protect the species. This is reflected in the harvest plan based on known information on those species e.g. avoiding harvest in the breeding season of that species.

- All harvest plans are reviewed by Visy to ensure this criterion is met prior to acceptance of any softwood sources.

<table>
<thead>
<tr>
<th>HCV 2: Forest areas containing large landscape level forests, contained within, or containing the management unit, where viable populations of most, if not all, naturally occurring species exist in natural patterns of distribution and abundance.</th>
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</thead>
<tbody>
<tr>
<td>- Most plantations are not in areas with large intact native forests, or are located on the edge of such forests. Where plantations are close to intact native forest consistent with the FSC Australia Directory of Information, sources are used to enable mapping of the areas. Most plantations will be a small part of such landscapes and as such will not impact on landscape values. Any measures taken to mitigate such impacts are recorded in the harvest plan.</td>
</tr>
<tr>
<td>- All harvest plans are reviewed by Visy to ensure this criterion is met prior to acceptance of any softwood sources. The harvest plan includes detailed maps of the harvest area and surrounding area including natural forest distinction.</td>
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<tr>
<th>HCV 3: Forest areas that are in or contain rare, threatened or endangered ecosystems.</th>
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<tbody>
<tr>
<td>- The items discussed in HCV 1 above, also address the management of this HCV. Ecological Vegetation classes and ecosystem values are interrogated from the same sources.</td>
</tr>
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<tr>
<th>HCV 4: Forest areas that provide basic services of nature in critical situations such as slope, erosion control, water catchment.</th>
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</thead>
<tbody>
<tr>
<td>- The aspects covered by HCV 4 are all considered and managed under the <em>Plantations and Reforestation (Code) Regulation 2001</em>. There is a pre-assessment for issues covered under the code. Identification of such issues impacting on basic service of nature are addressed in harvest maps and harvest plans.</td>
</tr>
<tr>
<td>- <em>The Plantations and Reforestation (Code) Regulation 2001</em> also addresses water catchment related issues regardless of the presence or absence of a drinking water or irrigation catchment.</td>
</tr>
<tr>
<td>- Harvest crews working under the requirements of the Code of Practice are formally trained in soil and water issues.</td>
</tr>
<tr>
<td>- All harvest plans are reviewed by Visy to ensure this criterion is met prior to acceptance of any softwood sources.</td>
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<tr>
<th>HCV 5: Forest areas</th>
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<tbody>
<tr>
<td>- Private and small plantations are not considered to be used by communities</td>
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</table>
for basic needs. HCV 5 items are not applicable in this situation, i.e. no one relies on these plantations for firewood or shelter.

- All harvest plans are reviewed by Visy to ensure this criterion is met prior to acceptance of any softwood sources.

### HCV 6: Forest areas critical to local communities’ traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

- Publicly available information (AHIMS – Aboriginal Heritage Information Management System) consistent with the FSC Australia Directory of Information is used to identify potential sites. Where sites of cultural importance are known they are shown on the harvest plan and any prescriptions regarding the preservation of the site/s are included in the harvest plan.
  - If sites or artefacts are found, the area is preserved and the proper authority/ies is/are informed.
  - All harvest crews who work with FCNSW (most of which are the same harvest crews working in privately owned plantations) are formally trained and certified in cultural heritage including identifying potential sites, and are aware of the reporting requirements for any sites or artefacts found.
  - All harvest plans are reviewed by Visy to ensure this criterion is met prior to acceptance of any softwood sources.

### Controlled Wood Category 1.1 Evidence of Enforcement of Logging Related Laws in the district

- All Visy harvesting contractors are audited externally against the relevant sections of the Work Health and Safety Act 2011 and other operation specific procedures.
- All Harvest Plans are written in adherence to the strict requirements of the Plantations and Reafforestation Act 1999 and the Plantations and Reafforestation (Code) Regulations (2001) as well as other relevant National and State legislation.
- All Visy Contracts clearly require full compliance with National, State and Territory legislation. These contracts are in relation to Harvesting Operations and Plantation Management.
3 PROCEDURE FOR VERIFYING THE SUPPLIER (FSC ANNEX 3 LEVEL)

3.1 Controlled Wood Verification Program

Visy audits the following controlled material suppliers annually,

Supplier Type 1: Large suppliers with distinct FMUs who create their own Harvest Plan e.g. FCNSW, GFP, HVP and PFO.

Supplier Type 2: Smaller suppliers where either Visy or a plantation manager prepares a harvest plan on behalf of the owner. Including SLIMFs.

Supplier Type 3: Sawmill residues originating from all sources including 1 and 2 above.

For all suppliers, including private growers, detailed records are kept of supplying blocks. These are made available to FSC auditors. In the case of sawmill residue supply, Visy has confirmed the supplying sawmills source wood from the same suppliers as Visy. This supplier verification is conducted annually.

Visy has adopted the FSC Australia Annex 2 National Risk Assessment. Visy identified low risk for all controlled wood categories except HCV (3.1 and 3.2) which was unspecified in all IBRA bioregions in Australia. Visy has completed an Annex 3 verification audit on HCVs for its supplied wood using the draft guidelines from FSC Australia as the benchmark. The Australia High Conservation Values (HCVs) evaluation framework Final 3.4 (March 2013) is used when implementing FSC Controlled Wood standards. Under this approach there is verification that appropriate tools have been used to satisfy the six classes of HCV.

As a result of the Annex 2 risk assessment returning a result of undetermined risk for HCV items 3.1 and 3.2, the onus is on the supplier to demonstrate a strong system of control that Visy can confirm in its verification audits. The system of control for each of the suppliers is set out in detail in this document (above).

3.2 Stakeholder Consultation

Visy has developed an extensive stakeholder list including non-government organisations (NGO), representatives of social and employment concerns, government agencies, forest management units, local harvest operators, experts (including ecologists) and local indigenous representatives. These stakeholders are selected based on their interest and involvement in the harvesting and plantation management activities, and, their geographical location relevant to the sourcing areas.

Stakeholders are consulted during verification audits, during the development of the harvest plan, and during a set period allocated to public comment. All documents required for effective consultation will be made available on the FSC Australia Website (Other Consultations page) during this period.

Where issues are identified these are taken into account where practicable. All issues raised are documented and records kept. The stakeholder will be provided with a written explanation of the actions taken to rectify any concerns where substantiated.
3.3 Auditor Training
Visy personnel conducting field verification audits have had appropriate training against the requirements of the FSC Australia HCV framework. Training records are kept.

3.4 Controlled Wood Verification Audit Schedule
Audits will occur at a timing that prevents uncontrolled wood passing through the supply chain. In practical terms this means audits will be on active harvesting blocks just before or during harvest. All harvesting blocks in the sample will be visited on site by a trained Annex 3 auditor.

4 SUPPLIER MATERIAL CATEGORIES AND SAMPLE PLANS

4.1 Districts and Sampling Plans
FSC-STD-40-005 (v2-1) Annex 3 states “1.7. The company shall classify the FMUs as sets of ‘similar’ units for the purpose of sampling. The sets shall be selected to minimise variability within each set. “Similarity” in the contents of this standard is meant in terms of:

a) forest type (e.g. natural forest, plantation),
b) geographical location (district)
c) size of operation (e.g. SLIMF)

There are three districts for the sampling plan. Supply from all of these districts is the same forest type, Pinus Radiata and a small proportion (less than 3%) from other Pinus species plantations.

1. Large suppliers from NSW, and Victoria with distinct FMUs who create their own Harvest Plan include FCNSW, GFP, HVP and PFO.
2. Smaller suppliers made up of discrete FMUs where either Visy or a plantation manager prepares a Harvest Plan on behalf of the owner. These are located throughout NSW and ACT.
3. Sawmill residues originating from all sources including 1 and 2 above.

Supplier Types 1 and 2 are considered separate districts for the purpose of sampling because they are represented by different sizes of operation and different FMU types.

Supplier Type 3 (sawmill residues) wood is supplied to Visy after processing by a sawmill. This is treated as a separate district for the purposes of sampling. Where the suppliers to the sawmill (Supplier Type 3) are the same suppliers as identified in Supplier Types 1 and 2, Visy has determined that the assessments completed under Supplier Type 1 and 2 are sufficient and will not complete additional assessments. A regular comparison of suppliers will be completed.

4.2 Sampling Plan
The sampling plan is calculated on the basis of the sampling equation in FSC-STD-40-005 (v2-1), Annex 3, section 1.8, where the sample frequency will equal at least 0.8 times the square root of the number of Forestry Management Units (FMUs) and 0.6 times the square root of FMUs that fall into the category of a
SLIMF (Small or Low Intensity Managed Forest) as per FSC-STD-20-007 (Section 3 table 2) and FSC-STD-40-005 (v 2-1 Annex 3 section 1.8).

For the purpose of the sampling plan, an FMU was defined by FSC International in 2012 as;

“Forest Management Unit (FMU): A clearly defined forest area with mapped boundaries, managed by a single managerial body to a set of explicit objectives which are expressed in a self-contained multi-year management plan.

Where there is management planning documentation at different levels, FMU can be defined as the area at which the calculation is made of the yield which can be permanently sustained (as per criterion 5.6 and usually referred to as AAC (Annual Allowable Cut)).”

The term ‘management plan’ is key, and taken as equivalent to that which is described in FSC Principle 7 (FSC-STD-01-001 V4-0).

This important advice from FSC International means that wood supplied from large suppliers is considered to be supplied only from their softwood plantation estate which is considered an FMU for the purposes of the sample. For example, the FCNSW softwood plantation estate has different management personnel, management plans and objectives to the FCNSW native forest estate and therefore the FMU is considered to be ONLY the FCNSW softwood plantation estate.

4.2.1 Sampling Approach for Supplier Type 1

All plantations managed by large forest managers meet the definition of a single FMU for the purposes of sampling. Therefore, for each of the four large FMU managers the required sample is one (1) audit.

However, in order to test that the management is consistent across all harvest compartments, the sample size for the Supplier Group 1 has been increased slightly to exceed requirements to ensure that the sample size reflects the size of the operations. A similar rule from the Forest Management Evaluation Accreditation Standard dictates that the auditor needs to visit a sufficient variety and number of sites within each FMU selected as to make direct factual observations as to conformity against the audit criteria. (See FSC-STD-20-007 (V3-0) s 5.4.2).

Therefore, the Supplier Group 1 audit sample chosen for 2016 is:

- FCNSW – Audit 3 active harvesting sites per annum

Keywords: FMU definition Normative Reference: FSC-STD-01-002 (V1-0) FSC Glossary of Terms, Requirement(s): Section 2. Published: 10.04.2012


FCNSW, GFP, HVP and PFO.

NOTE for FCNSW the plantation estate has different management personnel, management plans and objectives to the native forest estate and therefore the FMU is considered to be ONLY the FCNSW softwood plantation estate. This is also supported in a couple of places (FSC-STD-40-005, annex 3 s. 1.7; FSC-STD-20-007 s. 5.3.1) and clearly shows that natural and plantation forests should be considered separate FMUs. Each region has their own management plans.
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- GFP – Audit 1 active harvesting sites per annum
- PFO – Audit 1 active harvesting sites per annum
- HVP – Audit 0 active harvesting sites (HVP are FSC Certified to FSC-STD-30-010)

4.2.2. Sampling Approach for Supplier Group 2
The sample frequency is based on the number of FMUs in the last calendar year (17 of which 13 were classified as SLIMFs). In order to meet the requirement of FSC STD 40-005 only active harvesting sites are audited.⁶

\[(\sqrt{13} \times 0.6) + (\sqrt{4} \times 0.8) = 3.73 \text{ (Rounded to 4)}\]

The Supplier Group 2 audit sample number for 2016 is 4.

4.2.3. Sampling Approach for Supplier Group 3
A determination is made that the number of FMUs supplying the sawmills, not included in district 1 and 2, is 0.

The Supplier Group 3 audit number for 2016 is 0 as all suppliers are covered by district 1 and 2.

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⁶ 1.10. Verification audits should be conducted timely after receipt of the wood.