

Public Evaluation Report
FSC – Forest Management
Certification Registration Code: IMO-FM/COC-027830

First Audit

Report No.: 07 2417 02

Taizhou Wanfeng Forestry Co., Ltd.

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Client

This report was generated for Wanfeng Forestry Co., Ltd. (hereinafter called WFC) for the estate managed by them. It may not be used for advertising purposes without the expressed written permission of the contractual partners. All following information was checked and authorised by the client.

Purpose of Audit

The task was to carry out the evaluation of the forest management in accordance with the IMO standard control program accredited by FSC.

This report is the public part of two reports concerning forest management which are the basis of the decision on the certification by the Institute for Marketecology.

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ACRONYMS

AAC	Annual Allowable Cut
AI	Annual Increment
WFC	Wanfeng Forestry Co., Ltd.
FMU	Forest Management Unit
FSC	Forest Stewardship Council
NTPF	No Timber Forest Product
P&C	Principles and Criteria of the FSC
PSP	Permanent Sample Plot
PFEB	Protected Forest for Ecological Benefit

A: PUBLIC PART

1 Information about the company

1.1 Forest owner / company organisation

WFC is situated in Xianju County of Zhejiang Province, about 300 km from Hangzhou. The property of forests, used to be owned by the state and managed by the Pingxi Forest Farm until 2004 when the forest farm was sold to WFC. Now it is totally a private owned forest management company. Pingxi Forest Farm, the previous owner of WFC was first established in 1957 as a state-owned forest farm producing coniferous and deciduous timber and bamboo. WFC now manages 3598 hectares of land which scatters in 8 areas, among those the forest lands are about 3,585 ha, stock volume is 155,845 m³. Bamboo is not covered by the FSC certificate since it is not regularly managed.

WFC does not operate any processing facilities and has no intention to do so. WFC sells its logs to local buyers, including secondary manufacturing facilities that utilize the wood as raw material for wooden toy manufacture.

WFC has currently 13 staff members with various responsibilities such as cruising, tree planting, harvesting, road construction and maintenance, wildlife surveys, patrolling (preventing fire and trespass), sales, marketing and financial affairs. Most of manual works such as tree planting, thinning, harvesting and road maintenance are contracted out to local villagers. The permanent workers are members of the major unions in the regions and enjoy all the statutory benefits.

There is only one head office located in Xianju town and no permanent field offices.

WFC is managed globally by General Manager Mr. Wang Yurong and most of the forest work in the field is directed by the general manager assistant, Mr. Zheng Aiguo, who manages the day-to-day operations and who is also responsible for directing the forest management.

1.2 Motivation for Certification

The main objective of WFC is to produce timber from coniferous and deciduous species by an ecologically friendly use of the land and a socially responsible management on all sustainable forest resources. There is a serious interest from a wooden product manufacturer in using FSC certified timber from WFC, and this has motivated WFC to obtain FSC certification.

Goals stated in the Management Plan indicate a clear emphasis on maximizing timber production under the guidance of the following basic policies:

- 1) To pass over the rich forest resources to the next generation, the forests will be managed by considering the conservation of biodiversity, maintenance of health and vigour of the forest ecosystem and the conservation of soils and water resources.
- 2) To sustain timber production through intensive forestry practices (weeding, pruning, thinning, etc.) while minimizing impacts on the environment. However, pruning had been regularly applied before WFC became a private company but it now only seldom used due to high labour costs. The use of Non Timber Forest Products is also mentioned.

1.3 Forest and management system

WFC is situated in the subtropical Monsoons weather region. The quarterly winds are strong,

and climate is gentle and wet. The four seasons of the climate are clearly distinguished. The annual average rainfall is 1377 mm which mostly concentrate from March to September. The temperatures range from $-1\text{ }^{\circ}\text{C}$ to $30\text{ }^{\circ}\text{C}$, averages at $17.2\text{ }^{\circ}\text{C}$. The soil types are rich and can be classified in 15 categories. The main soil types are red yellow earth usually existing below 700 meters above sea level, and the yellow earth above 700 meters.

The primary natural forests in this region were broadleaf species and most of them disappeared several hundred years ago due to disasters, fires, exploitation and wars. But several remnants are left and contain some dozen species mainly in the protected forests.

For a long time, huge parts of the area were not covered by trees but by bushes or shrubs. A considerable part of the area was planted with forests in the 1970s within the frame of a national and regional afforestation program on the former waste land. The afforestation speeded up since the beginning of 1990s, and the increased area of afforestation averaged at 1600 hectares each year. Until the end of the last century, all former bared mountains were covered by forests. In parallel, the forest protection system for the Yongan river and large area of the PFEB forests were established. The forest coverage in Xianju has now reached 78% of the total land there. Most of the current forest coverage was planted manually or aerielly with pine and Chinese fir. Thus, the former barren land is nowadays replaced by artificially established conifers and partly by natural regeneration of broadleaf mixed forest in the natural succession.

The main goal of WFC is to produce timber from coniferous and deciduous species. Other goals include: The protection of special areas, including areas with steep slopes or poor accessibility; the protection of areas important for soil and water conservation, such as reservoirs; maintaining fire safety through practices such as construction and maintenance of fire breaks; and improvement of habitat for endangered species such as the Japanese deer, a species listed as a “state first class” protected animal. On some areas NTFPs such as tea and herbs are managed but will not be sold as FSC-certified.

Natural forests in the area were mixed forests of broad-leaved, conifers and bushes, but there are no primary forests remaining. Current planted forests consist of conifer and broadleaf species. There is also some natural regeneration, primarily in the unmanaged, protected areas but – except for bamboo - limited to Chinese fir in the managed forest.

There are two exemptions foreseen in the Management Handbook where WFC will use natural regeneration systematically: In the fir forest if more than 900 stumps can be found after harvest, which will be used for coppicing. Or if RTE plants can be found after harvesting, which will grow into the next generation of the forest. However, the regeneration by planting will be used if the above mentioned situations don't happen in the managed fir forest.

Rotations range from only 2-3 years for bamboo, to over 40 years for Japanese cedar. The primary managed conifers are Chinese fir (*Cunninghamia lanceolata*) and Masson pine (*Pinus massoniana*), cypress (*Cupressus funebris Endl.*) and various broadleaf species (annex 1).

Due to increasing emphasis on environmental and ecological resources, parts of WFC's forests were classified by the government as Protected Forests for Ecological Benefit (PFEB).

Typical Management

Typical management is oriented on rotation lengths of 30-50 or 60 years. The following treatments are usual but differ from the species and stand type, respectively.

Planting:

Before planting, the land was manually prepared by hand tools. Land preparation by burning has been banned.

Both conifers (Chinese Fir and Masson Pine) and broad leaves were planted in the managed forest area and new planted trees are manually planted in spring, usually with seedlings at a density of approximately 1200 for conifers and 900 stems for broadleaves per hectare.

Management of coppice stems

Fir stems are allowed to coppice. (Masson Pine stems do not coppice.) Stumps are allowed to coppice, and thinning of coppice stems occurs about 2 or more months after harvest, as needed. Some areas may be thinned more than once. Chinese fir is allowed to coppice for only one generation. After the first rotation, the number of coppice stems is significantly reduced, and so the preferred method of regeneration after the first rotation is replanting.

If coppice stems regenerate at a rate of less than 1200/ha, recruiting will be implemented by patching up the open space.

1. Stand tending – weeding:

- 1) Two times each year in the first three years for new fir plantation;
- 2) One time each year in first three years for new pine plantation;
- 3) One or two times weeding and coppice thinning in natural generated fir forest. Fir stumps are allowed to coppice, and thinning of coppice stems occurs about 2 or more months after harvest, as needed. (Pine stems cannot coppice). The tool is a hand knife.

2. 1st thinning - pre-commercial thinning to 20-25% of the number of the standing trees soon after crown closure. The tool is an axe.

3. 2nd thinning - pre-commercial thinning to waste (with some utilization of removed trees) of 25-33% density, when trees have average DBH of 16 - 17cm (depending on species). The tool is an axe.

4. 3rd thinning - commercial thinning at a density of 30-40% to increase tree diameter and enhance mid- and understory vegetation. The tool is an axe. On flat terrain, skidding is done by hauling the logs on the shoulders. In steep area, the timber is logged with skyline cable systems.

5. Final cut - At a desired age of 30 to 50 years. They use the same equipment as in 4.

Coniferous species are managed on an even-aged basis. In some coniferous stands, a selection cut is applied to foster transition of the stand to an alternative cover type. Uneven-aged management is used for the mixed forest of broadleaf and coniferous species.

Harvesting:

Chinese fir and Masson pine accounted for over 97 % of the total harvest in the period 2006-2010. Rotations for Chinese fir are typically 20-30 years. Pine tends to grow more slowly and is managed on a longer rotation. When intermixed with fir, pine and too small for harvest, it will be retained on site for future harvest with the next generation of fir. Pine is regenerated by hand planting. Final cut for both species are usually clear cut in blocks generally within the size which is clearly regulated by the Chinese forest laws based on the position and slope degrees.

For different management objectives, the rotations are:

Large fir 31-35 years, middle size fir 26-30; small fir 16-20

Large pine 41-50, middle size pine 31-40; small pine 16-20;

For broadleaf: fast growth 16-20, slow growth 41-50;

A logging crew usually consists of 5 – 10 workers. Clear and selective cuttings are the major harvesting methods. The clear cut size at WFC is in line with the Regulation of Forest Harvesting Operation, Chinese industry standard LY/T1646-20050, where the limits for clear cut sizes on mountainous areas are dependent on slope.

Maximum Clear Cut Size	Slope
30 ha	< 5°
20 ha	6°~ 15°
10 ha	16°~ 25°
5 ha	26°~ 35°
no clear cut	>35°

This practice is acceptable since no erosion was detected during the audit and stakeholders confirmed the good water quality. WFC reduces the risk of erosion by the following means:

- The clear cuts in the mountainous areas are designed as horizontal belts based on the contour line on the slope. Thus, a clear cut will never be an uninterrupted vertical line from the top to the bottom of the mountain but a horizontal clear cut area will be protected by the forest located above.
- After cutting in winter, the former felling sites will be replanted in spring.
- Harvest takes place out of the summer season with heavy rainfalls.

Management Plans

WFC is currently operating 8 forest areas and has worked a nine-years (2007-2015) forest management plan. This management plan is approved by the Forestry Administration of the local government.

Management Objectives:

- 1) Use each harvest as an opportunity to upgrade stand quality by adjusting tree spacing, size, and quality.
- 2) Generally, use the selection prescription and individual tree marking to remove low quality trees, and retain high-quality vigorous trees. “Thinning from below” is the normal marking criteria used. However, small group removals (less than 1.5 acres) will ultimately be necessary to successfully regenerate stands.
- 3) Maintain trees in all sizes and age classes, from seedlings to 80+ year-old trees which attain “target” size of 26-40” dbh.
- 4) Favour more valuable species, but not to the exclusion of other species; maintain natural ecological balance.
- 5) Inter-plant where necessary and cost-effective, to attain maximum conifer stocking in the natural regenerated fir forest where the number of new coppice are not enough to meet the forest generation requirement.
- 6) Depending upon the stand, maintain overall long-term annual growth rate of 3-4% to promote big wood as the long-term growth goal.

7) Accept less than optimum production where necessary to preserve related forest values. This means leaving specimen old-growth trees, hardwoods, green culls, snags, rough “wolf trees”, and other features which benefit wildlife. No-cut “preserves” are established for aesthetic and wildlife benefits.

8) Favour local small mills when selling logs. If price differences are not overly significant, local mills are preferred, even at a loss of some potential revenue.

9) Minimize impacts of logging: Generally, most sites over 50%-55% are cable-logged, unless the areas are small and/or inaccessible by a skidding winch. By paying higher logging costs, it is possible to hire loggers who will likely meet the expectations.

10) Maintain erosion control and road drainage on year-round basis. All harvest operations are checked at least twice during the winter following logging. The larger properties are checked more often. Roads are brushed and logs are removed from roads in order to an on-going basis to provide management and fire protection access. Any “open wound” erosion problems are repaired as soon as equipment can access the site.

11) Regarding the management of PFEBs, WFC will follow the National Forestry Code (DB33/T379.4 - 2002). The PFEBs are classified into three types. The 1st class on deep slopes with high risk of soil erosions is totally banned for any cutting. The 2nd class could be managed with low intensity thinning and weeding in order to improve the forest health. (The 3rd class does not exist in WFC’s area. In other areas, this class allows selective cuts in order to convert the PFEP to uneven aged, multi-level, biodiversity forests e.g. on glaxis with deep soils and low risk erosions.)

Table 1-A: Forest Land Type (in hectares)

Type	Timber Forest	PFEB	Bamboo	Nursery	given Totals
Total	2375.9	1167.97	39.6	1.53	3585

Table 1-B: Cover Type by Age Class (in hectares/ commercial)

Species	seedling	mid	near-full	full	given Totals
Pine	1364.4	145.3	28.3	4.3	1542.3
Fir	4.3	304.3	96.7	219.8	625.1
Broadleaf	208.5				208.5
Total	1577.2	449.6	125.0	224.1	2375.9

Table 2-A: Harvest by Species Type, 2006-2010 (Projected), in m³

	Pine	Fir	Broadleaf	Total	AAC
2006	1746	4736	72	6554	7000
2007	2421	4563	11	6995	7000
2008	2982	3594	366	6942	7000
2009	1232	5313	425	6970	7000
2010	1920	4907	106	6933	7000

Table 2-B: Harvest by Final Cut and Thinning, 2006-2010 (Annual Average), in m³

Total	Final	Normal thinning	Fast Growth Thinning	Low Yield Improvement Thinning	Other
6630	4507	225	178	1369	351

Table 3: Inventory and Growth by Species (AI is Annual Increment)

Species	Stock [m ³]	Total Annual Increment [m ³]	Annual Increment (AI), Seedlings [m ³]	AI, mid-age [m ³]	AI, Near-full-grown [m ³]	AI, Full-grown [m ³]
Pine	65210	12252	11345	677	205	25
Fir	67652	6347	146	2555	1156	2490
Broadleaf spp.	22983	4036	3737	55	5	239
Total	155845	22635	15228	3287	1366	2754

Bamboo is just scattered in the broadleaf area. No growth data available.

It is Chinese 2nd class inventory which will be carried out each five or 10 years. The forest resource data reflected in the report actually is the outcomes of the inventory

The data was recently collected in 2006 during the Chinese 2nd class inventory which will be updated in a period of 10 years.

Table 4: Reforestation Plan (Hectares)

Forest Type	2007	2008	2009	2010	2011
Fir & Broadleaf Mixed	9.7	3	5.6	2.1	4.2
Pine & Broadleaf Mixed		6.1	29.3	14	10.7
Broadleaf & Conifer		3.2	13.3	0.7	17.1
Broadleaf	6.7	2.8	0.6	0.7	
Fir Sprouting & Broadleaf	28.5	58.9	27.5	32.4	26.2
Total	44.9	74	76.3	49.9	58.2

Based on its previous version, WFC has upgraded a new comprehensive management plan which covers all aspects of FSC P&C. The management concentrates on multiple goals in terms of environmental protection, social harmony, and economical development. The provincial government approves in writing WFC's maximum allowable harvest for each of the following five years (Table 2). WFC's written management plan at this time consists of basic information regarding cover type of the forest (Table 1), species and volumes to be harvested (Table 2), and basic forest stand information for current stocks and AI (Table 3).

For individual stands, WFC has prepared silviculture prescriptions. These plans are required by the local forest administration and include: harvesting method, species, stand age or age class (young, mid-rotation, or at final rotation age), elevation, slope, aspect, slope position, harvest volume, number of stems to be harvested, information on the average tree removed (basal area, diameter, height, volume), and a site map.

WFC maintains maps, resource data on forest stands and sub-stand, as well as specifications or guidance for contract work. The management plan will be updated as needed at least in a five years interval. A schedule is set up for regular review of the planning strategies and incorporating the revision of the annual work as well. The management plan has also followed legal requirements from local and national forestry administration and government.

1.4 Connection to the environment and to the socio-economics

In the late 1990s, following disastrous flooding aggravated by over harvesting, national laws and policies were issued for reducing timber harvesting national wide. All harvesting in China is now strictly controlled by the forestry administrations from national, provincial and local authorities. PFEB were defined in large scale across of China at the same time. Consequently, large areas of forest and bush lands are forbidden for logging, and the total amount of wood harvested each year has been dramatically reduced.

There are several water bodies scattered within or close to the forestlands managed by WFC. Some of the forests are adjacent to reservoirs and sources of many rivers and streams; one of those is the Lilin reservoir. Several small villages within WFC depend on the water provided by local water sources, where, as required by the forest and environment administrations from the state and province, WFC has about 30% of its managed forests as the PFEB region for ecological and social benefits. Here, the forests play important roles in protecting water resources and nature conservancy, and no clear cuts, but thinning and weeding are allowed.

In or near the forests, no natural reserves exist. Protected forests within WFC's area are quite well distributed in a complex environment of landscapes, geological features, soil conditions and biodiversity. These conditions make the forest rich in varieties of flora and fauna. The auditor visited various of these forests and confirmed that there was neither harvesting nor any forest management activity taking place.

The Environmental Protection Bureau of Taizhou has not detected any threatened, endangered or sensitive within the lands but has identified a number of protected animals on the national and provincial level. The PFEB provide various habitats and corridors for wild animals. Timber production and non-timber forest uses within the forest play a large role in local economies. The Forest Administration of Xianju and Association of Forestry Research verified that no HCVF exist in or near the area managed by WFC.

Since the forests scatter widely in this region, there are more 30 villages adjacent to or inside WFC's area. Since WFC has operated quite long time, very good relationships are kept between WFC and local farmers. The interaction between WFC and stakeholders is centred on economic activity. WFC contracts work out to local villages, including harvesting, planting, road construction and maintenance. WFC staff appear to have good relations with local villagers, whom they see on a regular basis in the course of their work. When the WFC staff encounter local stakeholders collecting medicinal herbs and other NTFPs on WFC lands, the collection will be allowed as long as the forest will not be seriously damaged. However, this issue not a matter of contention between stakeholders and WFC.

The Management Plan includes social issues such as stakeholder analysis, public communication, public education, protection of the interest of the local people, respect of tradition and culture and a complaint procedure.

WFC is located in Northwest of Xianju county where has a population of around 200,000, and falls in the category of mountainous region. Xianju is a municipality under Taizhou City. Throughout the Zhejiang province on the whole, Taizhou is ranging at the mid-upper level in terms of economic development. In Southern China historically, most forests with good location, e.g. surrounding villages, easily to get access, high quality and value timber forest in flat area were owned by local farmers. Only the lands located in remote areas, bare or of low economic value, difficult to access etc. were distributed to the state owned forest farms. The former Pingxi was such a forest farm, which was transferred to WFC in order to promote the afforestation in those areas. Now scattered in the forest land managed by WFC, all farmers in different villages have their own use right on the forests and farm land. Since the forest use rights and management boundary between WFC and local villages have been kept very clear in the past 20 years and no changes have been made, no direct conflict of

interests or complaint were detected whilst the main audit.

With the fast economic development in China in the recent years, the socio economic structure has changed a lot. Former state owned enterprises including WFC are privately owned now and more working opportunities are offered to local farmers instead of full time employees. This has become the main income for farmers except that from crops, vegetables, fruit, animal husbandry (pigs, chickens and ducks). In addition, farmers have also some income from bamboo, pine trees, and other NTFP i.e. herbs and teas. The annual income in this area ranges from 6000 to 8000 RMB/person last year.

1.5 Products and wood use

1.5.1 Products of the forest

The main products are logs of fir and pine. Broadleaves play a minor role.

Species	Scientific name	Volume (m ³ per yr)	Product
Fir	<i>Cunninghamia lanceolata</i>	3,500-4,900	logs
Pine	<i>Pinus massoniana</i>	1,200-2,900	logs
Broadleaf species	<i>various</i>	100-500	logs

Tea, bamboo shoots and medical herbs are the other products from WFC which do not come under the scope of the present certification.

1.5.2 The basis for Harvesting of timber

According to the Harvesting and Regeneration Administration Protocol of China, WFC's management plan has to get approved for five years by the local Forestry Authority for timber harvesting (Table 2). Logs of lower dimensions are included in the AAC determination, but not dead wood which is not used any more. WFC shall not exceed the AAC except for situations when unregulated felling could occasionally occur. The AAC is designed based on the principle that it must be less than the increment in the same forest management unit. It is regulated by the Chinese Forest Law and strictly implemented.

Clear and selective cuttings are the major harvesting methods. In the management plan, the clear cutting shall not exceed 5 hectare blocks where the slope is steeper than 30 degrees.

Harvesting is mostly done manually with axes. Sometimes chainsaws are used too, but may be this will be given up due to high costs and possible difficulties in meeting the safety standards.

Workers haul the logs to the road on their shoulders. Safety equipment such as helmet and first aid kit will be used during the working period. The equipment is property of WFC and was – off season – stored in the forest station. WFC has also set up guidance in case of emergency.

WFC primarily sells stumpage to the highest bidder. The buyers can be sawmills, log yard owners, cooperatives or loggers. Once the stumpage sale is purchased through a competitive bid, the purchaser either hires the loggers, often local people, or does the logging by himself. Whilst the audit, no cutting was visited since the logging season was off. Harvesting season is from November to March in the dry season.

Small trucks transport the logs to a sawmill or a log yard.

1.5.3 Final point of certificate

The final point of the certificate is with the transfer of ownership of the logs from WFC to the buyer.

Other logs of lower dimensions or qualities, dead wood and part of the bamboo are directly sold from the forest and removed by the villagers for personal use. They are not sold with any FSC declaration.

2 Certification process

2.1 Standards

The "Principles and Criteria of FSC International" are the basic standards and minimum requirements which are valid for the FSC certification world-wide. This standard is supposed to be adapted to the regional situation by regional FSC working groups. It also needs to be adapted if non timber forest products are managed. If no regional working group exists, the adaptation to a local standard has to be done by IMO.

For China, the regional FSC working group was established in April 2007 and no accredited standard was available at the time of the audit, therefore the generic standard of IMO which is accredited by FSC was used as basis. By sending this standard to the stakeholders, comments were sought about the standard and the need for regional adaptation.

In order to harmonise with neighbouring countries and standards for similar situations, the generic standard for China of SmartWood, was taken into consideration for the adaptation process. The auditor evaluated the legal situation in China and included a list of applicable laws. Based on all information available, a local standard for China was adapted, which is available on the webpage of IMO.

Certification checks whether all parts of the guidelines are fulfilled in a satisfactory way. No special parts of the guidelines are weighted more or less than others. Any non-compliance with the guidelines results in a condition or precondition.

2.2 Contractual basis

Certification according to the FSC requirements is only possible based on a clear contractual basis. The inspection contract defines the duties of both parties and gives the right to use the logo for the company after the certificate was issued.

With the application to IMO in October 2006 and the signature of the contract, WFC confirms its will to get certified for the forest under its management and the timber sales according to FSC.

2.3 Stakeholder process

FSC certification controls whether forest management will meet all needs concerning ecological, economic and social aspects. Therefore the demands of any group who is dependent on forests or engaged in forest protection must be considered. To include these needs into the certification process, representative stakeholders are informed and asked for comments about the guidelines and the performance of the audited company.

Stakeholder consultation is obligatory for any FSC certification. The comments of stakeholders are incorporated in the evaluation questionnaire and checked during the audit of the company, the public hearing and interviews.

The stakeholder process is important to identify any conflicts between forest management and regional stakeholders with ecological, social or economical interests in the forests. Local people were also invited to participate.

2.4 Audit (including pre-audit and stakeholder consultation)

The aim of the audit is fact finding. The management system was evaluated by field visits and detailed document control in the office. In case of non compliance at single samples, additional samples will be necessary.

Date	Topic	Participants
December 20, 2006	Travel to Shangliao forest area, field visit to pine plantation, pine and broadleaf mixed forest, watch tower, reserved forest; discussion with WFC staff.	Mr. Wang Yurong, General Manager Mr. Zheng Aimin, Assistant Manager (Field) Mr. Jiang Mingtian, Management Office Ms. Xu Yuyan, staff Wang Dong WaC (IMO) and Thomas Papp-Váry TP (IMO)
December 21, 2006	Visit to WFC head office, document review, final discussions, signing of the Control Report Inspection.	Ditto
Morning of Sept. 6, 2007	Opening meeting, document review.	Rm. WFC Head Office in Xianju Town. Wang Yurong-WFC General Manager, Zheng Aimin-GM assistant, Jiang Mingtian-Chairman of Works Union, Xu Yuyan-Forest Manager, Wang Xiuqin-accountant.
Afternoon of Sept. 6, 2007	Public Stakeholder Meeting. Document review.	Zhao Huancai-Director of Forestry Administration Bureau of Xianju County. Hu Wenming-Senior Engineer of Water Resource Management Bureau. Chen Huaping-Section Chief of Environment Protection Administration, Chen Zheming-Section chief of Public Security Bureau, Wang mingsheng – Association of Forestry Research, Li Chun-Wild Animal Protection Station.
Sept. 7, 2007	Field visit to protected forest close to water body; Medium age Chinese Fir forest; Fir and Pine mixed forest with weeding activity; near-full grown Fir stand due for harvest; two Chinese fir stands planted with broad leaf trees as fire break; a harvested land with newly planted seedlings; two PSP for monitoring of the forest management, one monitoring spot for water quality, and one for soil survey; road construction; interviewed one WFC staff and two farmers contracted by WFC for Weeding, patrolling and road construction. Interview with neighbour farmers.	Wang Yurong-WFC General Manager, Zheng Aimin-GM assistant, Jiang Mingtian-Chairman of Works Union, Xu Yuyan-Forest Manager Mr. Li Senrong – WFC staff, Mr. Zhang Songyi – Weeding and patrolling, Mr. Wand Jinhua – Road construction contractor. Zhang Rongshi, Jiang Shudi, Zhang Xiaofeng from Xiao Wu Ji village, Fang Tianguo, Wang Jinmu from Longniu village.
Morning of Sept. 8, 2007	Document check, visit to log yard, closing meeting	All staff and managers

The Chinese lead auditor has a Bachelor's of Science degree in forestry from 1982. He has over 20 years of practical experience in forest conservation and management. He received additional training from the World Bank, Canada International Development Agency and

Canada Forest Agency in forest project management. He also participated in FSC certification auditor training provided by other FSC accredited certification bodies and participated in a number of FSC certification conferences and workshops. He participated in 9 different FM audits, and has been lead auditor for more than 12 COC audits in the past years. He conducted the main audit by his own.

The forest management was inspected for all aspects in the field, wherever the activities were taking place. The concepts of biodiversity, worker welfare and safety and long term planning of the forest areas were important subjects of the inspection. The results were documented and the detected non conformities were discussed on site. The results are summarised in the internal report.

In the office, the operation structure and the business policy were analysed by discussions with the management and other employees. Documentation was checked through a comprehensive file control.

At the pre-audit in December 2006, he was trained by an international IMO forestry expert.

2.5 Certification decision

The certification decision will be taken by an independent council of IMO, the IMO certification committee. This decision is based on all available information from the report, checklist, comments or company data. A formal complaint procedure is open for anybody who is not satisfied with the decision.

3 FSC stakeholder process

For identifying the stakeholders, different sources at state, provincial and local level were used. The first proposal of stakeholders was made by WFC who had contacted local stakeholders at the time of the pre-audit. The auditor checked the list and added addresses.

Stakeholders were informed 30 days prior to the audit in writing and many of them were personally contacted by interviews and public hearing during the main audit. Minutes were taken. About 70% of the informed local stakeholders submitted their written comments to the certifier.

3.1 Reaction of the Stakeholders

The list of the contacted persons and institutions can be found in the annex. Since a public hearing was planned from the very beginning, no written comments were submitted. The hearing took place with 9 people for 3 hrs in total. The feedback was positive or neutral.

Before the audit, the FSC contact person for China provided IMO with the list of the members of FSC national working group China so that these stakeholders who are working on the national or regional level could be contacted by e-mail on They were not present at the stakeholder meeting. They gave neutral or no comments lack of local knowledge of the specific forest.

3.2 Comments on the guidelines

No comments were made on IMO's generic standard.

3.3 Comments on the forest enterprise

a) WWF China	No direct knowledge of FSC requirements and the Company
b) Xianju Forestry Administration	In the past months, WFC did a lot of work to improve its forest management. FSC certification will help WFC to make achievement economically, environmentally, and further to benefit local residents.
c) Water Resource Management	WFC contributed to the local water resource protection by managing its forest lands with environment-friendly policy. The water of the Lilin reservoir is drinkable.
d) Worker Union leader	WFC did well in dealing with labour issues and has a open channel in discussions with the work unions to settle down conflicts.
e) Xianju Environment Protection Bureau	With the great contributions from the forests managed by WFC, Xianju county now has a very good environment with high quality of air, drinkable water in the river.
f) Local farmer	Local farmers benefit from the jobs, roads, trainings etc. provided by WFC.

3.4 Results of the stakeholder process

The comments were mainly positive and confirmed the information given by WFC concerning the activities and the good relationship between the WFC and the workers and other people living nearby. Several times it was stated that WFC would have good reputation regarding its social and ecological management and expect that greater progress could be made after certification.

4 Required actions and improvements

The determination of the conditions is the essential result of the audit. The situation in the company is compared with the FSC Principles & Criteria and any deviation from the standard is described in the internal report. Any identified weak points will result in a “corrective action request (CAR)”, i.e. condition (c).

In case of major violations from the guidelines this CAR will be a pre-condition (PC) which must be fulfilled before the certificate can be issued.

In case of minor deviations, conditions are issued which are to be fulfilled in a specific period of time.

In the case of insignificant possibilities for improvement which are not directly connected to the guideline, recommendations are expressed which are not binding.

Legend of the tables:	No. /Year	current number and date
	Deadline	Deadline to which the condition must be fulfilled, otherwise it will be intensified (for example to a pre-condition from this moment on).
	Status	Field for internal control

4.1 Conditions regarding Principle 1 (Laws and FSC Principles)

No./Year Indicator	Conditions 2007 for WFC	Deadline	Status
1/07 c (1.1.4)	Those parts of the FSC requirements relevant for contracted workers shall be precisely spelled out in the contracts.	04/2008	

4.2 Conditions regarding Principle 4 (Safety and Worker's Rights)

No./Year	Conditions 2007 for WFC	Deadline	Status
2/07 c (4.2.9)	Accidents must be recorded and analysed.	04/2008	
3/07 c (4.4.4)	After survey, any possible social effects of new forest activities shall be analysed and considered in the management plan.	08/2008	

4.3 Conditions regarding Principle 6 (Environment)

No./Year	Conditions 2007 for WFC	Deadline	Status
4/07 c (6.3.10 & 6.3.11)	In the management of forest harvesting and thinning, WFC must intentionally reserve the dead trees on the lands as a way to promote the local biodiversity. The stock inventory of dead trees shall be surveyed and recorded.	04/2008	
5/07 c (6.6.7)	WFC must make sure that the restrictions for the use of any chemicals apply also to contractors working in the forest.	12/2007	

4.4 New conditions regarding Principle 7 (Management Plan)

No./Year	Conditions 2007 for WFC	Deadline	Status
6/07 c (7.2.1)	Responsibilities for the revision of the management plan or parts of it must be defined.	04/2008	

4.5 Conditions regarding Principle 8 (Monitoring)

No./Year	Conditions 2007 for WFC	Deadline	Status
7/07 c (8.1.1), (8.1.3)	A time table for the monitoring including social economic development shall set up, indicating type and amount of data to be gathered.	08/2008	
8/07 c (8.2.3)	The inventories/surveys shall include data about changes in the composition of flora and fauna.	12/2010	

4.6 Recommendations

No./Year	Recommendations 2007 for WFC	Status
A/07 (6.10)	Any plan for conversion of forest land to non forest land should be reported to IMO beforehand.	

5 Summary of the strengths and weaknesses

5.1 List of strengths in relation to the FSC-guidelines

After the pre-audit in December 2006, WFC was intensively working both in office and in the forest in order to comply with the FSC standard. The pre-conditions resulting from the pre-audit in Dec 2006 were fulfilled. There is a comprehensive and sorted documentation.

WFC has contributed to the local economy by supplying timber to manufactures, providing jobs to villagers, building roads inside and outside of its managed area, and training local people to qualified forest workers. On the other hand, WFC also benefits from the forest management, e.g. the value added forests by increased volume and prices, the new head office, the increased salaries.

Concepts of the sustainable forest and biodiversity protection are widely accepted by the WFC management and highly reputed by local and regional stakeholders. WFC is willing to continue the multi-purpose policy in the new nine years management plan in conformity with the FSC requirements.

5.2 List of weaknesses in relation to the FSC-guidelines

Being a small forest management operation, WFC contracts most of its jobs to the local villagers, where some inconformity with FSC requirement occurred whilst forest harvesting, road building etc. Soil erosion and protection of water sources have not yet been thoroughly controlled.

Though the provision on working safety is written in the management plan, it is not well implemented and recorded in the last years and a procedure for dealing with accidents is missing.

6 Decision for Certification

6.1 Recommendation for certification

Considering the entire situation and the conditions listed, it is assumed that the company will fulfil the FSC standard completely. Thus, recognition of WFC in the field of Forest Management and Chain Of Custody is recommended.

November 2007
Wang Dong, BSc Forestry


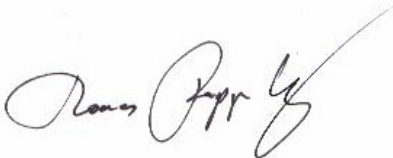
6.2 Positive certification decision

The IMO certification committee followed the recommendation of the auditor and the peer reviewer and issued the certificate for the following company and assortments.

Forest company	Assortment	Annual production	Certification
Taizhou Wanfeng Forestry Co., Ltd.	Logs	About 7000 cubic meters	FSC: IMO-FM/COC-027830

6.3 Authorisation

By authorisation of this report, the client accepts the correctness of this report (public and internal part) and obliges himself to follow the relevant FSC standard, to the punctual fulfilment of the conditions and to the consideration of the recommendations.

Contents checked and approved by	
Institute for Marketecology  Institut für Marktökologie Weststr. 51 CH-8570 Weinfelden Tel. +41-(0)71 626 0 626 Fax +41-(0)71 626 0 623 Weinfelden, 21 December 2007	Client Place, Date
 (Thomas Papp-Váry)	Signature

Public Annex: Stakeholders FSC Certification WANFENG July/August 2007

Contact Information	main interest
Local Stakeholders WANFENG	
Xianju Forestry Bureau# 188 of West Road, Northern Town, Xianju, Zhejiang, Postcode 317300	
Xianju Environment Protection Bureau, # 268 Chuancheng Zhinglu, Xianju, Zhejiang, 317300	
Xianju Water Management Bureau, # 26 Cheng Guan Xilu,, Xianju, Zhejiang, 317300	
Xianju Forestry Science Association, # 188 of West Road, Northern Town, Xianju, Zhejiang, 317300	
Xianju Wild Animal Protection Station, # 188 of West Road, Northern Town, Xianju, Zhejiang, 317300	
Xiao Wu Ji Village, Xiao Wu Ji Village, Futou Town, Xianju, Zhejiang, 317300	
Contractor, # 108 of Yongan Street, Chengguan Town, Xianju, Zhejiang, 317300	
Academy of Forest Planning and Design, No. 67 of Huajiachi, Fengqi Dong Lu, Hangzhou, 310020	
National Stakeholders	
Technical Director, FSC China	
WWFC China, Room 1609, Wenhua Gong, Beijing Working People's Culture Palace (Laodong Renmin Wenhua Gong Dongmen), Beijing, 100006	Environmental
Forest Program, WWF-China	Environmental
Shanghai Chance Management Consultant Corporation	Economic
Forestry Managing Headquarter, APP China	Economic
Chinese Green Times	Social
Forest Program, WWF-China	Environmental
Division of Scientific and technological, Sichuan Provincial Forestry Department	Social
Forest Program, WWF-China	Environmental
Division of Bilateral Cooperation, International Forestry Cooperation Centre, SFA	Social
China Association for NGO Cooperation	Social
Guangxi Provincial Forestry Department	Social
Forest Program, WWF-China	Economic
Research Institute of Forestry Policy and Information, CAF	Environmental
Chinese Timber Distribution Association (CTDA)	Economic
International Network for Bamboo and Rattan	Environmental
Division of International Cooperation, CAF	Economic
IKEA China	Economic
Heilongjiang Provincial Forestry Academy	Environmental
Heilongjiang Provincial Forestry Department	Environmental
Beijing Forestry Society	Environmental

Institute of Sociology, Chinese Academy of Social Sciences	Social
Beijing Green Panel Consulting Ltd.	Economic
Research Institute of Forestry Policy and Information, CAF	Economic
Zhejiang Forestry University	Social
Research Institute of Forestry Policy and Information, CAF	Environmental
Beijing Forestry University	Environmental
WWF-China	Environmental
Ph.D, CAF	
SFS	
Beijing Forestry University	
IUCN	
WWF-China	Environmental
Chinese Green times	Environmental
Chinese Academy of Social Sciences	Social
APP	Economic
APP Marking Shanghai	Economic
Greenpeace	Environmental
Greenpeace China, Unit 2, 19/F, Block E, Lanchou Famous Building Jiqingli, Chaowai Street, Chaoyang District, Beijing, 100020	Environmental
Forestry policy coordinator TNC	Environmental
Forest Trends	
TFT	Environmental
CTDA	
Friends of Nature	
China Council, CCPEF	
Department of Accreditation, CNCA	
Assistant manager, Stora Enso	Economic
Office assistant, Stora Enso	Economic
China Project Director, Tropical Forest Trust	Environmental
Senior Buying Director-Wall & Flooring,China head office, B&Q	Economic
Ph.D, Research Institute of Forestry Policy and Information, CAF	
China Representative, Tropical Forest Trust	Environmental
GreenWood Resources	
Greenpeace	Environmental

20.	Basis for annual allowable cut	permanent sample plots and survey
21.	Annual production of main commercial wood species	Fir: 3,500-4,900 m ³ Pine: 1,200- 2,900 m ³ Broadleaf 100-500 m ³
22.	Main commercial non-timber products	Tea (not certified)
23.	Annual production of commercial Non Timber Forest Products	3000 kg
24.	Processing products timber and NTFP	none
25.	High Conservation Value Forests total:	none
26.	High Conservation Values by category:	none