

## Does Southwood Export Ltd (SWEL) meet FSC's Controlled Wood standard?

27 March 2024

We are carrying out an audit of Southwood Export Ltd located in Invercargill, New Zealand to see if their operations comply with FSC's [Controlled Wood](#) standard (FSC-STD-40-005 V3-1). We are writing to you to ask if you know of any reason why their operations would not meet this standard.

Controlled Wood is wood that meets minimum requirements and that can therefore be mixed with FSC wood and used in products with an FSC Mix label. In particular, the wood must not be:

- harvested illegally.
- harvested in violation of traditional and civil rights.
- harvested from forests with a high conservation value that is threatened by management activities.
- harvested from forests being converted to plantations or non-forest use.
- from forests in which genetically modified trees are planted.

We will carry out our audit on 24/04/2024. Here is how you should comment, if you wish to do so:

- When? You should send comments to us before or during the audit.
- How? You can comment by .
  - Meeting with a Preferred by Nature staff member in person.
  - Phone to Sini Frost, or Di Fan, Preferred by Nature staff member from New Zealand. Their phone numbers are + 64 (22) 4715266 or + 64 (022) 3876670
  - Email to Sini Frost at [sfrost@preferredbynature.org](mailto:sfrost@preferredbynature.org)
  - In person by arranging to meet with Sini Frost, or Di Fan
- If you want your comments to be confidential, please notify us when you submit the comments.

If you provide comments, we will provide feedback to you within 30 days of the audit.

Southwood Export Ltd has written a summary document that lists:

- the risks they have identified that they may source unacceptable wood
- the measures they implement to mitigate those risks.

We have attached this summary document to this letter.

If you wish to dispute any aspect of this forest certification process or the decision we reach as to whether this company meets the Controlled Wood standard, you can access our Dispute Resolution Policy at <https://preferredbynature.org/dispute-resolution-policy>

Thank you for any help you are able to provide.

If you have any recommendations for contacting other stakeholders that may have an interest in providing comments on this company and audit, we would also gladly receive these from you.

Yours sincerely,  
Sini Frost  
Forestry Associate – New Zealand  
Preferred by Nature

# FSC Controlled Wood Due Diligence System Public Summary



## 1. General information

Organisation name:	Southwood Export Ltd
FSC certificate code:	NC-COC-001257
Organisation's DDS contact person:	Steve Hindley
DDS prepared/assisted by:	The DDS was developed internally by Southwood Export Ltd (SWEL) staff.
Date last reviewed/updated (by the organisation):	March 2024

## 2. Suppliers

Participating site	Non-certified material type sourced	Exact number of suppliers	Supplier type(s)	Average no. of tiers in the supply chains	Approximate or exact number of sub-suppliers
45 Kekenoo Place, Awarua, Invercargill, New Zealand (NZ)	Roundwood logs	2 (both are managed by the organisation)	Forest owner	1	0

## 3. Supply areas

Supply area	Controlled wood category	Reference to risk assessment used	Risk designation
South Wood Export Ltd sources from forests it is managing, located in the Southland Region of New Zealand.	1	FSC-CNRA-NZ v1.0	Low risk
	2	FSC-CNRA-NZ v1.0	Low risk
	3	FSC-CNRA-NZ v1.0 – specified risk for HCV3 where material comes from land with or adjacent to priority 1 land environments	Specified risk (3.3)
	4	FSC-CNRA-NZ v1.0	Low risk
	5	FSC-CNRA-NZ v1.0	Low risk

#### 4. Risk assessment and mitigation

##### 4.a Risk mitigation for the origin of the material

Supply area: New Zealand		
Indicator	Control Measures	Findings of control measure
Controlled wood category 3. Wood from forests in which high conservation values are threatened by management activities		
3.3	<p>The Due Diligence System references the FSC Controlled Wood Risk Assessment current as of 1/3/2020. All New Zealand plantation forests are covered by the New Zealand FSC Centralised National Risk Assessment FSC-CNRA-NZ V1-0 EN, the Centralized National Risk Assessment for New Zealand. This risk assessment meets the requirements of FSC standard FSC-STD-40-005. The assessment rates all plantation forests as having LOW risk ratings except for category 3.3 which is assessed as Specified. The CNRA recommended control measures states:</p> <p>For the areas containing priority 1 land environments not under legal protection and the non-protected plantation forest and natural forest adjacent to these areas: Evidence of a local authority biodiversity mapping assessment and protection strategy in the relevant planning documents confirms HCV3 are identified and protected in the sourcing area; or consultation with an expert confirms a HCV3 assessment has been undertaken and there is a low threat to any identified HCV3 or the HCV3 are effectively protected.</p> <p>SWEL shall determine:</p> <ol style="list-style-type: none"> <li>Evaluation of priority 1 land <ul style="list-style-type: none"> <li>Confirm if non-certified forests are located in priority 1 land environments using the mapping system, links as follow: <ul style="list-style-type: none"> <li>Landcare Research visor (&lt;20% indigenous forest remaining). <ul style="list-style-type: none"> <li><a href="https://ourevironment.scinfo.org.nz/maps-and-tools/app/">https://ourevironment.scinfo.org.nz/maps-and-tools/app/</a></li> <li><a href="https://www.mfe.govt.nz/more/biodiversity/national-policy-statement-biodiversity/statement-national-priorities-biodiversit-1">https://www.mfe.govt.nz/more/biodiversity/national-policy-statement-biodiversity/statement-national-priorities-biodiversit-1</a></li> </ul> </li> </ul> </li> <li>If the forest block is NOT inside or adjacent to any Priority 1 Land, the risk is Low, and no other control measure is needed for the evaluation of the block.</li> <li>If non-certified forests ARE located in priority 1 land environments follow Step 2 below.</li> </ul> </li> <li>If non-certified forests are NOT covered by the above: <ul style="list-style-type: none"> <li>Engage a recognised consultant to confirm a HCV3 assessment has been undertaken and there is a low threat to any identified HCV3 or the HCV3 are effectively protected (i.e. they are identified as 'low risk').</li> </ul> </li> </ol> <p>If forests cannot be identified as 'low risk' via either of the methods above, then logs from those forests will not be accepted. Non-eligible inputs are rejected from site prior to unloading.</p>	In non-certified forests a recognised consultant has been used to confirm that there is low (no) threat to any HCV areas in plantation forest and natural forest adjacent to these areas.

#### 4.b Risk assessment and mitigation for mixing in the supply chain

Participating site	Supply chain type	No. of tiers	Risk of mixing	Control measures	Findings from field verification if undertaken as a control measure
South Wood Export Ltd, 45 Kekeno Pl, Awarua, Invercargill	Wood is delivered directly from the forest to the facility	South Wood Export manage the forests and delivers the roundwood logs to its own Chip Mill	As all wood is delivered directly from the forest, there is NO RISK of mixing in the supply chain.	Nil required	N/A

#### 5. Technical experts used in the development of control measures

Name	License/Registration #	Qualification	Scope of service	Source of information
Lloyd Esler - Ecologist		BSc Degree in Botany Med Degree in Teaching Ecological contractor – 30 years' experience in conducting biodiversity surveys of flora and fauna species for government departments, corporates, privately owned companies, and public interests.	South Wood Export Ltd have used a technical expert as part of the recommended control measure stated in FSC-CNRA-NZ for the specified risk related to Controlled wood category 3 (3.3). The expert had assessed the forests managed by South Wood Export Ltd and confirmed no evidence for the presence of High Conservation Values (HCV) – threatened Environments and Ecosystems which is Priority 1 Land in these forests.	Contact organisation for further details.

#### 6. Stakeholder consultation processes

Supply area	Relevant controlled wood category	List of stakeholder groups invited to participate	Summary of comments received from stakeholders	Description of how stakeholder comments were taken into account	Justification for concluding that the material sourced from the area was low risk
	3.3	Forest Industry Contractors Association, Southern Wood Council, Canterbury West Coast Wood Council, NZ Forest Owners Association, Te Uru Rakau (MPI), Ministry of Business, Innovation and Employment, Forest and Bird, Southland Council, Otago Council, Dunedin Council, Fire and Emergency (FENZ), Department of Conservation, NZ Institute of Forestry, Landcare Research, NZ Forest Owners Association, FSC NZ.	Pending	Pending	Pending

## 7. Complaints procedure

We encourage stakeholders who have suggestions for improvements, comments, or complaints related to our controlled wood due diligence system to contact the General Manager, Steve Hindley by email at [shindley@southwood.co.nz](mailto:shindley@southwood.co.nz). We commit to follow up on stakeholder input as soon as we receive it and to provide stakeholders with feedback within 2 weeks.

Southwood Export Ltd.'s complaint handling procedure follows:

- a) Acknowledging receipt of complaints;
- b) Inform stakeholders of the complaint procedure, and providing an initial response to complainants within a time period of two (2) weeks;
- c) Forward complaints related to risk designations in the relevant FSC risk assessment to the responsible body (for the CNRA, FSC);
- d) Conduct a preliminary assessment for determining whether evidence provided in a complaint is or is not substantial, by assessing the evidence provided against the risk of using material from unacceptable sources;
- e) Dialogue with complainants to solve complaints assessed as substantial before further actions are taken;
- f) Forward substantial complaints to the certification body (NEPCo) and relevant FSC National Office (<https://nz.fsc.org/en-nz>) for the supply area within two (2) weeks of receipt of the complaint. This will include information on the steps to be taken by SWEL to resolve the complaint, as well as how a precautionary approach will be used shall be included with the complaint;
- g) Employ a precautionary approach towards the continued sourcing of the relevant material while a complaint is pending;
- h) Implement a verification process (e.g. field verification and/or desk verification) for a complaint assessed as substantial by SWEL within two (2) months of receipt;
- i) Determine the corrective action to be taken by suppliers and the means to enforce its implementation by a supplier if a complaint has been assessed and verified as substantial. If a corrective action cannot be determined and/or enforced, the relevant material and/or suppliers shall be excluded by SWEL;
- j) Verifying whether corrective action has been taken by suppliers and whether it is effective;
- k) Excluding the relevant material and suppliers if no corrective action is taken;
- l) Inform the complainant, the certification body (NEPCo), and the relevant FSC National Office (<https://nz.fsc.org/en-nz>) of the results of the complaint and any actions taken towards its resolution, and for maintaining copies of relevant correspondence; and
- m) Record and file all complaints received and actions taken.

Annex