

**Forest Management and Stump-to-Forest Gate Chain-of-Custody  
Certification Evaluation Report for the:  
Asahi Breweries, LTD  
Corporate Forest  
Conducted under auspices of the SCS Forest Conservation Program  
SCS is an FSC Accredited Certification Body**

**CERTIFICATION REGISTRATION NUMBER  
SCS-FM/COC-00037P**

**Submitted to:**

**Asahi Breweries, Ltd.**

23-1, Azumabashi 1-chome,  
Sumida-ku, Tokyo 130-8602  
Japan

**Lead Author: Dave Wager**

**Date of Field Audit: June 5-7**

**Date of Report: 29 September 2006**

Updated: June 2007 (See Section 6.1)

Updated: Dec 2008 (See Section 6.2)

**Updated: Jan 2010 (See Section 6.3)**

**Certified: 30 September 2006**

**By:**

**SCIENTIFIC CERTIFICATION SYSTEMS  
2000 Powell St. Suite Number 1350  
Emeryville, CA 94608, USA  
[www.scs-certified.com](http://www.scs-certified.com)**

**SCS Contact: Dave Wager [dwager@scs-certified.com](mailto:dwager@scs-certified.com)**

**Client Contact: Mr. Satoru Takenaka**

## **Organization of the Report**

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the SCS website ([www.scs-certified.com](http://www.scs-certified.com)) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of Asahi.

## **FOREWORD**

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Asahi Breweries LTD Corporate Forest (Asahi Forest) to conduct a certification evaluation of its forest estate. Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace.

In June 5-7, an interdisciplinary team of natural resource specialists was empanelled by SCS to conduct the evaluation. The team collected and analyzed written materials, conducted interviews and completed a 2.5 day field and office audit of the subject property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation to award FSC-endorsed certification To Asahi Forest for the management of its forest estate.

As detailed below, certain pre-conditions (also known as Major Corrective Action Requests) that were stipulated by the audit team upon completion of the field audit were addressed by Asahi and cleared by SCS prior to finalization of this report. In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site ([www.scscertified.com](http://www.scscertified.com)).

Foreword.....	3
Section A- Public Summary and Background Information .....	5
1.0 GENERAL INFORMATION.....	5
1.1 FSC Data Request.....	5
1.2 Management Context.....	7
1.2.1 Environmental Context.....	7
1.2.2 Socioeconomic Context .....	8
1.3 Forest Management Enterprise .....	9
1.3.1 Land Use .....	9
1.3.2 Land Outside Scope of Certification.....	9
1.4 Management Plan.....	9
1.4.1 Management Objectives.....	9
1.4.2 Forest Composition.....	9
1.4.3 Silvicultural Systems .....	10
1.4.4 Management Systems .....	10
1.4.5 Monitoring System.....	10
1.4.6 Estimate of Maximum Sustainable Yield .....	10
1.4.7 Estimated, Current and Projected Production.....	10
1.4.8 Chemical Pesticide Use.....	11
Asahi Forest does not use chemical pesticides in it’s management.....	11
2.0 Guidelines/Standards Employed.....	11
3.0 THE CERTIFICATION ASSESSMENT PROCESS.....	11
3.1 Assessment Dates.....	11
3.2 Assessment Team.....	11
3.3 Assessment Process .....	12
3.3.1 Itinerary.....	12
3.3.2 Evaluation of Management System .....	14
3.3.3 Selection of FMU’s to Evaluate.....	14
3.3.4 Sites Visited .....	14
3.3.5 Stakeholder Consultation .....	14
3.4 Total Time Spent on audit.....	17
3.5 Process of Determining Conformance .....	17
4.0 Results of the Evaluation .....	18
Table 4.1 Notable strengths and weaknesses of the forest management enterprise relative to the P&C.....	18
4.2 Preconditions.....	23
5.0 Certification Decision .....	23
5.1 Certification Recommendation .....	23
5.2 Initial Corrective Action Requests.....	23
6.0 Surveillance Evaluations.....	27
7.0 Summary of SCS Complaint Investigation Procedure.....	58

## SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

### 1.0 GENERAL INFORMATION

#### 1.1 FSC Data Request

Applicant entity	Asahi Breweries, Ltd.
Contact person	Mr. Satoru Takenaka
Address	Asahi Breweries, Ltd. Shobara Forest Office 1-8-2 Nakahonmachi, Shobara-shi, Hiroshima-ken Asahi Breweries, Ltd. Headquarter 23-1 Azumabashi 1-Chome, Sumida-ku, Tokyo 130-8602 Japan
Telephone	+81-3-5608-5195
Fax	+81-3-5608-5201
E-mail	satoru.takenaka@asahibeer.co.jp
Certificate Number	<i>SCS-FM/COC-00037P</i>
Certificate/Expiration Date	<i>September 30, 2011</i>
Certificate Type	<i>Single FMU</i>
Number of FMU's <i>if applicable</i>	<i>1</i>
Location of certified forest area	Shobora, Japan
Latitude	<i>N 34 degrees 52 minutes</i>
Longitude	<i>E 133 degrees 1 minutes</i>
Forest zone	<i>Temperate</i>
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	<i>0</i>
are between 100 ha and 1000 ha in area	<i>0</i>
meet the eligibility criteria as <i>low intensity SLIMF FMUs</i>	<i>0</i>
Total forest area in scope of certificate which is:	
privately managed <sup>1</sup>	2169 ha
Number of forest workers (including contractors) working in forest within scope of certificate	20
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	281
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	<i>0</i>
Area of forest classified as 'high conservation	<i>0</i>

<sup>1</sup> The category of 'private management' includes state owned forests that are leased to private companies for management, e.g. through a concession system.

value forest <sup>1</sup>	
List of high conservation values present <sup>2</sup>	<i>HCV 2</i>
Chemical pesticides used	<i>none</i>
Total area of production forest (i.e. forest from which timber may be harvested)	<i>1888</i>
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	<i>1641</i>
Area of production forest regenerated primarily by replanting <sup>3</sup>	<i>1641</i>
Area of production forest regenerated primarily by natural regeneration	<i>247</i>
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	Sugi ( <i>Cryptomeria japonica</i> ) and hinoki ( <i>Chamaecyparis obtuse</i> )
Approximate annual allowable cut (AAC) of commercial timber	<i>4800 M3</i>
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	<i>none</i>
List of product categories included in scope of joint FM/COC certificate and therefore available for sale as FSC-certified products (include basic description of product - e.g. round wood, pulp wood, sawn timber, kiln-dried sawn timber, chips, resin, non-timber forest products, etc.)	Round wood and woodworks

## Conversion Table English Units to Metric Units

### Length Conversion Factors

<b>To convert from</b>	<b>to</b>	<b>multiply by</b>
mile (US Statute)	kilometer (km)	1.609347
foot (ft)	meter (m)	0.3048
yard (yd)	meter (m)	0.9144

### Area Conversion Factors

<b>To convert from</b>	<b>to</b>	<b>multiply by</b>
square foot (sq ft)	square meter (sq m)	0.09290304
acre (ac)	hectare (ha)	0.4047

### Volume Conversion Factors

#### Volume

<b>To convert from</b>	<b>to</b>	<b>multiply by</b>
cubic foot (cu ft)	cubic meter (cu m)	0.02831685
gallon (gal)	liter	4.546

<sup>2</sup> High conservation values should be classified following the numbering system given in the ProForest High Conservation Value Forest Toolkit (2003) available at [www.ProForest.net](http://www.ProForest.net)

<sup>3</sup> The area is the *total* area being regenerated primarily by planting, *not* the area which is replanted annually. NB this area may be different to the area defined as a 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF) or for other purposes.

1 acre	= 0.404686 hectares
1,000 acres	= 404.686 hectares
1 board foot	= 0.00348 cubic meters
1,000 board feet	= 3.48 cubic meters
1 cubic foot	= 0.028317 cubic meters
1,000 cubic feet	= 28.317 cubic meters
Breast height	= 1.4 meters, or 4 1/2 feet, above ground level

Although 1,000 board feet is theoretically equivalent to 2.36 cubic meters, this is true only when a board foot is actually a piece of wood with a volume 1/12 of cubic foot. The conversion given here, 3.48 cubic meters, is based on the cubic volume of a log 16 feet long and 15 inches in diameter inside bark at the small end.

## 1.2 Management Context

As a private enterprise located in the Hiroshima prefecture, management of the Asahi Forest is subject to a host of national, prefectural and cities' regulations. The principal regulations of greatest relevance to forest managers in this region are associated with the following statutes:

Forest and Forestry Basic Law

Forest Law

Sabo Law

Natural Environment Conservation Law

Natural Parks Law

Law on Protection of Forest Disease and Pest

Law on Protection and Hunting of Birds and Animals

Law on Conservation of Endangered Species of Wild Fauna and Flora

### 1.2.1 Environmental Context

Forest land constitutes about 25 million ha and 67% of the total land area for Japan. Plantation forests consisting of coniferous species such as Sugi (*Cryptomeria japonica*), Hinoki (*Chamaecyparis obtusa*), Karamatu (*Larix leptolepis*) make up about 10 million ha and about 40% of the country's total forest area. Japanese forestry is facing a crisis because 70% of these conifer plantations have reached ages requiring salvage cutting and thinning.

Broad-leaved forest volumes are increasing yearly, but half of these forests are no more than 50 years old. Many of these plantation stands are broad-leaved forests, which were used as a source of fuel wood after the Second World War, and abandoned thereafter to regenerate naturally.

Hiroshima prefecture has a long history (dating as to the first millennium) of human habitation and resource utilization. As a result, the majority of forests are highly altered from the original natural forest condition. During the first half of the 20<sup>th</sup> century, selection silviculture was the primary method of harvest. Beginning in the 1950's even-aged silviculture and plantation establishment became the dominant forestry practice. For example, native deciduous forests have been converted to conifer plantations, and the majority of the alluvial flats have been converted to rice paddy fields.

Hiroshima prefecture situated southwest on the main island of Japan, is located in a temperate climatic zone. The prefecture can be divided into the slightly warmer and drier climate of Setonai-sea coast, and the and cool, rainy climate of the Chugoku-mountainous region. The total forest area for Hiroshima-prefecture is 615,254 ha. Of this, private forests amounts to 566,351 ha or 92% of the total forest area. State-owned forest is 48,903 ha, constituting a mere 8% of the total forest area for Hiroshima. Plantations occupy 166,512 ha, or 29% of the total area of Hiroshima. This is lower than the national average of 40%.

Climate Table of Observatories (1997-1999)

Observatory	Location	Average Temp °C	Annual Precip. (mm)
Shobara	Inland of Chugoku Region	12.8	1,610
Miyoshi	Inland of Chugoku Region	13.6	1,632
Fukuyama	Coast of Setonai-Sea	15.0	1,282

Most forestland in Hiroshima (as well as throughout Japan) are located on steep slopes, thus slope stability and erosion are concerns for erosion prone and/or unstable soils. Fortunately, the very rocky soil conditions provide decent resistance to mass wasting and surface erosion. The temperate moist climate contributes to good growing conditions throughout Hiroshima prefecture; however, many plants such as ferns, bamboo, and grass grow rapidly hindering the growth of forest stands. Additionally, soil conditions in the Asahi forest are low in nutrients with shallow topsoils.

In the past, the Chugoku-region, including Hiroshima, was covered by Akamatsu (*Pinus densiflora*) forest stands. This relates back to the history of the regional industry of agriculture, ceramics, mining, salt manufacturing and other industries, which were consuming great quantities of fuel, thus causing massive land exploitation to occur. The Akamatsu stands and the highly valued Matsutake mushrooms, known to grow in poor soil conditions, became increasingly abundant. Beginning in the early 1980's a pine beetle (and associated fungi) epidemic has devastated the Akamatsu pine in this region. Once infected, a decade passes before the regeneration of healthy pines can occur, and then the new pines can also become infected.. This vicious cycle also has negative effects on the native vegetation of broad-leaved stands, by blocking sunlight before they can emerge.

Forestry is declining in much of Japan, even in Hiroshima prefecture, which has few plantations. The Sugi and Hinoki stands are not being tended sufficiently. With the dead Akamatsu, Sugi and Hinoki stands, the landscapes and eco-systems of the Hiroshima forests are deteriorating. One of the goals of Asahi Forest is to demonstrate to the public how proper forest management can restore forest health.

### 1.2.2 Socioeconomic Context

The largest industries in Shobora region of Hiroshima prefecture are agriculture and forestry. However, the forestry sector in this region has declined because of the marginal growing

conditions and importing of timber. The region's population has been stagnant or declining, as young people have moved to more urban areas with higher paying jobs. Asahi Forest contributes to the local economy through its permanent staff of four employees and numerous contractors.

### **1.3 Forest Management Enterprise**

#### **1.3.1 Land Use**

The Asahi Forest covers an area of 2,169ha, 75% of which are Sugi and Hinoki plantation, and the remaining 25% being broad-leaved forests. The age classes of plantation stands concentrate at around 30 to 50. Plantation constitutes, 23% Sugi, 76% Hinoki, and under 1% of Kunugi ( *Quercus acutissima* ). Because of the species being managed and the even-aged silviculture, it is the judgement of the SCS experts that the The Asahi Breweries' Corporate Forest should be evaluated under the plantation forestry standards as opposed to the natural forest standards, both of which are contained in the SCS Forest Conservation Program.

All of subject forest have been appointed as water conservation forest; Nibuzaka parcel and Magaridani parcel have been appointed as prefectural natural parks; and a part of the Megame parcel is appointed as prefectural natural environmental protection area.

#### **1.3.2 Land Outside Scope of Certification**

Asahi Breweries does not own any lands outside the scope of this certificate.

### **1.4 Management Plan**

#### **1.4.1 Management Objectives**

The Asahi Breweries' manages its Shobara Corporate Forest in order to establish an ideal long-term (80 to 100 years) rotation forest. The management and silvicultural activities of the forest are based on the following 4 points;

- Forestry management of high economic value.
- Forestry yielding sustainable forest resources.
- Forestry taking into consideration, forestland management.
- Socially beneficial forestry management.

#### **1.4.2 Forest Composition**

The productive areas of of Asahi Forest are comprised of *Sugi* (cedar - *Cryptomeria japonica*) *Hinoki* (cypress - *Chamaecyparis obtusa*), and *Kunugi* ( *Quercus acutissima* ). The remaining non-commercial areas are mostly broad-leaved forests comprised of Mizunara (oak - *Quercus spp.*), Kaede (maple - *Acer spp.*), Kuri (chestnut - *Castanea crenata*), Shide (hornbeam - *Carpinus spp.*), Buna (beech - *Fagus crenata*), and Hannoki (alder - *Alnus japonica*) with partly mixed conifers such as Akamatsu (red pine -*Pinus densiflora*)

### **1.4.3 Silvicultural Systems**

Plantation species are Hinoki (1,254 ha, 76%), Sugi (382 ha, 23%), and Kunugi (*Quercus acutissima*, 5 ha, under 1%). The area of management considered most crucial were planted after the Second World War, and its predominant age class distributions are in 8th (339ha), 9th (274ha), 10th (250ha) and 7th (237ha) classes (5 year age classes). These age classes compose 67% of the whole. The Asahi Forest management aims to produce large-diameter high-grade timber through long-term rotation years.

In 2005, the Asahi Forest began operating under a new 5-year management plan authorized by the Hiroshima-prefectural government. The primary silvicultural systems in the plan are line thinning and selection thinning. Current growth estimates are 4800 m<sup>3</sup> per year, and Asahi's annual cut calls 1000-2000 m<sup>3</sup> of wood cut per year. Age classes of 25, 35, and 45 are targeted for thinning. Thinning is mostly carried out through line (row) thinnings, which is the most economical approach.

### **1.4.4 Management Systems**

See sections 1.3.1, 1.4.1., and 1.4.2. Asahi Breweries forest is managed by a permanent staff of four professionals. These four people do management work. There are no forest workers employed by Asahi. Therefore all forestry activities are carried out by contractors. All contractor work is under the supervision of Asahi staff.

The Asahi staff/contractors participate in drafting the Local Labor Standard Superintendent Office's safety health training courses. There are various courses provided by Asahi Breweries headquarters.

### **1.4.5 Monitoring System**

Monitoring at the Asahi Forest includes periodic assessments of timber volume and cost, productivity, and efficiency of forest management. Yield of all forest products harvested, composition of observed changes in flora and fauna, and environmental and social impacts of harvesting are not well monitored (CAR 2006.3)

### **1.4.6 Estimate of Maximum Sustainable Yield**

Current growth estimates for Asahi Forest are 4800 m<sup>3</sup> per year. However, these calculations are based on general yield tables for the region and may not adequately describe growth on Asahi.

### **1.4.7 Estimated, Current and Projected Production**

Rotation of the Asahi forest is set as 80 to 120 years. Because current tree age is around 50 years at most, final harvesting will be started in 2030. Until then, only thinning will be conducted.

Based on the rotation and area, Asahi plans to conduct thinning in about 100 ha each year. The volume of trees to be harvested depends on each forest stand age. Although the volume may be over the estimated growth volume ( of 4800 m<sup>3</sup>), this will not affect stable yield in the future because there are many over-matured forest stands where thinning is delayed. Active thinning is needed to improve these stands to secure future yield.

#### **1.4.8 Chemical Pesticide Use**

Asahi Forest does not use chemical pesticides in it's management.

## **2.0 GUIDELINES/STANDARDS EMPLOYED**

As the applicant forest property is located in Japan, the certification evaluation that is the subject of this report was conducted against the SCS Interim Standard for Japan. The standard is available at the SCS web site, [http://www.scs-certified.com/forestry/forest\\_programmat\\_fm.html](http://www.scs-certified.com/forestry/forest_programmat_fm.html), or is available, upon request, from Scientific Certification Systems.

The SCS Interim Standard for Japan was developed by modifying the SCS' Generic Interim Standard to reflect management of plantation forests in Japan. Approximately one month prior to the start of the field evaluation, a Draft Interim Standard for Japan was made available to stakeholders for comment. No comments were received on the standard.

## **3.0 THE CERTIFICATION ASSESSMENT PROCESS**

### **3.1 Assessment Dates**

The field portion of the assessment took place from June 5-7, 2006.

#### **2.3.2 Justification for selection of items and places inspected**

The field itinerary was expressly laid out so as to provide the audit team with a solid exposure to the breadth and variety of forest conditions and management activities undertaken by Asahi. The evaluation team was satisfied that the on-site field inspections of Asahi's forest management operations were sufficient in scope and intensity for reaching a certification decision.

### **3.2 Assessment Team**

#### **Mr. Shuhei Tomimura, Forester:**

Mr. Tomimura is a professional consultant based in Tokyo, and representative of Tomimura Environment Research Office. His professional expertise is in the areas of forest ecology, forest conservation and engineering in the forestry domain. He received his forestry training

and diploma from the Forestry Faculty of Kyoto Prefectural University. He also studied forest ecology at the National Forest Research Center of France. Prior to establishing his own consultancy, Mr. Tomimura was employed for 23 years by Asia Air Survey Co., Ltd.. During this time, he acquired extensive international forestry experience in countries such as Morocco, Ivory Coast, Paraguay and Europe. He has also served as a Lecturer in the Ecology Faculty at Toyo Engineering College.

**Dave Wager, Forest Ecologist:** Mr. Wager has served as the Director of Forest Management Certification since September 2000 and is fully conversant in FSC Certification procedures and practices. Mr. Wager has expertise in business and forest ecology (B.S. business, Skidmore College; M.S. Forest Resources, Utah State University) and utilizes both in his position with SCS. He oversees the day-to-day operations of SCS' Forest Management Certification and conducts Forest Management and Chain-of-Custody evaluations throughout the world. Mr. Wager recently led forest management certification evaluations of several Indian reservations in the Northern Rocky Mountains, Potlatch's Hybrid Poplar Plantation in Oregon, Perak Integrated Timber Complex in Malaysia. As Director, Mr. Wager oversees first-time certification evaluations, annual audits, and contract renewal certifications on approximately 50 active clients. While studying forest ecology at Utah State University, Mr. Wager was awarded a NASA Graduate Student Research Fellowship to develop dendrochronological techniques to assess Douglas-fir growth reduction in Utah's Central Wasatch Mountains.

**Naoya Ogawa, AMITA Program Manager**

Mr. Ogawa participated in many FSC certification audits in Japan as a supporter. Mr. Ogawa is employed by AMITA Corporation and is the program coordinator for AMITA Corporation's Forest Certification Program. He majored in forest science and holds a M.S. in agriculture studies from the University of Tokyo, Japan.

**3.3 Assessment Process**

**3.3.1 Itinerary**

The field portion of the re-certification audit was conducted from June 5-7, 2006 and included a variety of sites designed to illustrate a cross-section of stand types and treatments, focusing on harvests conducted within the last several years.

The field audit agenda/itinerary was:

Day 1:

A.M.

- Office Interviews and Document Review:
- General Background (Staff resources, land history, management philosophy, infrastructure)
- Update on staffing changes
- Cost reduction mechanisms
- Harvesting contractor

- Health and safety policies
- Forest products produced through thinning
- Review of CARs/Recs from 2005 audit
- Public access policies- permit system for entry because of problems with dumping and other unauthorized activities
- Asahi approach to public communication/involvement—
  - 2005 seminar to explain forest management to stakeholders
  - several tours of forest to elementary school, Japan airlines for ecotourism
- Protocols for safeguarding rare, sensitive, threatened and endangered species

P.M.

Stop 1 & 2: Watercourse buffer zone and line thinning on adjacent slopes harvested 2005 (Akamatsu site)

- one of the first line thinnings conducted in the area
- snow damage to forest
- misunderstanding of buffer zone/filter strip concept as 10 m on both sides of stream were clearcut in attempt to restore native broadleaf forest. Discussed less aggressive conversion to broadleaf forest through partial cuts.
- landing within buffer strip- apparently unable to locate across road because of traffic concerns
- discussed concern that bamboo grass may interfere with reforestation
- some sedimentation and debris in stream
- effective utilization of skyline system
- retention of the few existing broadleaf trees

Stop 3: Pruning- and attempted forest worker interview (though workers too far to reach)

- pruners paid per production basis
- discussion of forest zone classification to prioritize areas for pruning and thinning

Stop 4: Logging operation by Asahi contractor (Takemitsu Corporation) but on adjacent private land.

Stop 5: Kounomura site

- girdle thinning trials
- line thinning
- inventory plots
- old nursery site

Day 2:

Stop 1: Active harvest site

- worker interview

- active felling by line thinning
- skyline yarding system
- roads

Stop 2: Very dense hinoki stand (age 45-50)

- Stand not receiving adequate thinning (5 inch diameter at at 45)

Stop 3: Sugi stand

Stop 4: Asahi/ANA Abemaki (*Quercus variabilis*) special site.

### **3.3.2 Evaluation of Management System**

The process by which Scientific Certification Systems evaluated the systems employed by Asahi entailed the following components:

- Deploy a team of SCS auditors with demonstrated credentials and experience in forest certification, auditing protocols, forest management, wildlife ecology, forest ecology, social sciences, as well as a working knowledge of the forest types found in Japan.
- Review of documents pertinent to Asahi's forest operations
- Review of previous FSC certification assessments of Asahi.
- Interview in-person Asahi's forest management staff.
- 1.5 days of field reconnaissance the Asahi Forest

### **3.3.3 Selection of FMU's to Evaluate**

The forest management operation undergoing certification consists of a single Forest Management Unit.

### **3.3.4 Sites Visited**

See section 3.3.1

### **3.3.5 Stakeholder Consultation**

Pursuant to SCS protocols, consultations with key stakeholders were a component of the evaluation process. Consultation took place prior to the field evaluation. The following were distinct purposes to the consultations:

To solicit input from affected parties as to the strengths and weaknesses of Asahi's management, relative to the standard, and the nature of the interaction between the company and contractors and the surrounding communities.

To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests.

Principal stakeholder groups of relevance to this evaluation were identified based upon lists of stakeholders from Asahi, and additional stakeholder contacts from other sources (e.g., chair of the regional FSC working group). The following types of groups and individuals were determined to be principal stakeholders:

- Contractors
- Local and regionally-based environmental organizations and conservationists
- Local and regionally-based social interest organizations
- Forest industry groups and organizations
- City and prefectural regulatory agency personnel
- Research institutes
- Adjacent forest owners
- Other relevant groups

Prior to, during, and following the site evaluation, a range of stakeholders from the regional area were consulted in regard to their relationship with Asahi, and their views on the management of the Asahi Forest. Stakeholders included FSC contact persons, government and non-government organizations involved in forest management, local citizens and groups, employees, contractors, and others. Stakeholders were contacted with a notification mailing soliciting comment and/or phone contact. Comments were received via phone interviews (“Interview”), and through written responses. Individuals or groups not offering feedback are labeled “no response” (“NR”). Additional comments may have been received from individuals not wishing to reveal their identities.

Name	Affiliation	Consultation
Representative	Forestry Sec., Shobara Branch, Bihoku Area Office of Hiroshima Pref.	NR
Representative	Forestry Sec., Agriculture and Forestry Bureau, Bihoku Area Office of Hiroshima Pref.	NR
Representative	Miyoshi Forestry Technology Centre, Hiroshima Pref.	NR
Representative	NPO Forest Biomass Study Group	NR
Representative	Hiroshima Pref. Forest Managers Association	NR
Representative	Shobara Hiba Lumber Association	NR
Representative	Agriculture and Forestry Promotion Sec., Shobara City	NR
Representative	Local Agricultural and Forestry Sec., Industrial Dept., Miyoshi City	NR

Representative	North Hiroshima District Forest Office of Kinki Chugoku Regional National Forest Office	NR
Representative	Bihoku Forestry Association	Interview
Representative	Miyoshi Province Forestry Association	NR
Representative	Takemitsu Corporation	Interview
Representative	North Hiroshima Prefecture Domestic Wood Processing Cooperative	Interview
Representative	Kimita Working Place	Interview
Bunsaku Yatani	Hiba Shobora Area Forestry Management Association	NR
Tadaaki Amano	Federation of Shobara Tree Seedling Production Association	NR
Hiroaki Hasegawa	Adjacent forest owner/manager	NR
Shigeki Nakahara	Adjacent forest owner/manager	NR
Masahiro Takeno	Adjacent forest owner/manager	NR
Yukinori Asao	Adjacent forest owner/manager	NR
Susumu Moritani	Adjacent forest owner/manager	NR
Hifumi Tabe	Adjacent forest owner/manager	NR
Kouji Koyama	Adjacent forest owner/manager	NR
Matsuo Oohara	Adjacent forest owner/manager	NR
Norio Morita	Adjacent forest owner/manager	NR
Iwami Hara	Adjacent forest owner/manager	NR
Kakuo Watanabe	Adjacent forest owner/manager	NR
Hideyoshi Souda	Adjacent forest owner/manager	NR
Kiichirou Abe	Adjacent forest owner/manager	NR
Akira Kuroguchi	Adjacent forest owner/manager	NR

### 3.3.5.1 Summary of Stakeholder Concerns and Perspectives and Responses from the Team Where Applicable

A summary of the comments on the standard (where applicable) and major perspectives and concerns expressed by the stakeholders that were consulted during the course of this evaluation include:

#### Economic Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> <li>Economic conditions for loggers has worsened under new management, and with the shift to contract status</li> </ul>	CAR 2006.3 CAR 2006.4
<ul style="list-style-type: none"> <li>Asahi managers provide appropriate direction to forest workers</li> </ul>	Noted

#### Social Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> <li>Safety conditions of forest workers has not changed under new management</li> </ul>	CAR 2006.2

#### Environmental Concerns

Comment/Concern	Response
<ul style="list-style-type: none"> <li>None received</li> </ul>	

### 3.4 Total Time Spent on audit

Approximately 17 auditor days were spent reviewing documents, conducting field assessment, interviewing stakeholders, and preparing the report.

### 3.5 Process of Determining Conformance

FSC accredited forest stewardship standards consist of a three-level hierarchy, principle, then the criteria that make up that principle, then the indicators that make up each criteria. Consistent with SCS Forest Conservation Program evaluation protocols, the team collectively determines whether or not the subject forest management operation is in conformance with every applicable indicator of the relevant forest stewardship standard. Each non-conformance must be evaluated to determine whether it constitutes a major or minor non-conformance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-conformance. The team must use their collective judgement to assess each criterion and determine if it is in conformance. If the forest management operation is determined to be in non-conformance at the criterion level, then at least one of the indicators must be in major non-conformance.

Corrective action requests (CAR's) are issued for every instance of non-conformance. Major non-conformances trigger major CAR's and minor non-conformances trigger minor CAR's

***Interpretations of Major CAR's (Preconditions), Minor CARs and Recommendations***

*Major CARs/Preconditions:* Major non-conformances, either alone or in combination with non-conformances of other indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant FSC Criterion given the uniqueness and fragility of each forest resource. These are corrective actions that must be resolved or closed out prior to award of the certificate. If major CAR's arise after an operation is certified, the timeframe for correcting these non-conformances is typically shorter than for minor CAR's. Certification is contingent on the certified operations response to the CAR within the stipulated time frame.

*Minor CARs:* These are corrective action requests in response to minor non-conformances, which are typically limited in scale or can be characterized as an unusual lapse in the system. Corrective actions must be closed out within a specified time period of award of the certificate.

*Recommendations:* These are suggestions that the audit team concludes would help the company move even further towards exemplary status. Action on the recommendations is voluntary and does not affect the maintenance of the certificate. Recommendations can be changed to CARs if performance with respect to the criterion triggering the recommendation falls into non-conformance.

## **4.0 RESULTS OF THE EVALUATION**

Table 4.1 below, contains the evaluation team's findings as to the strengths and weaknesses of the subject forest management operation relative to the FSC Principles of forest stewardship. The table also presents the corrective action request (car) numbers related to each principle.

**Table 4.1 Notable strengths and weaknesses of the forest management enterprise relative to the P&C**

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
<b>P1: FSC Commitment and Legal Compliance</b>	<ul style="list-style-type: none"> <li>▪ Forest managers maintain an up-to-date register of pertinent statutes and bodies of regulations</li> <li>▪ There have been no citations, fines, etc. against Asahi Forests land management activities</li> <li>▪ Asahi management plan includes an explicit commitment to the FSC Principles and Criteria.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Asahi staff are familiar with the FSC standard at the Principle level, however, more understanding of the standard at the Criteria and Indicator level is needed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CAR 2006.1</li> </ul>
<b>P2: Tenure &amp; Use Rights &amp; Responsibilities</b>	<ul style="list-style-type: none"> <li>▪ Asahi forest has clear legal ownership to their forest estate, and there is bonafide documentation establishing this fee-simple ownership.</li> <li>▪ There are (and have been) no other land claims made on the Asahi Forest.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	none
<b>P3: Indigenous Peoples' Rights</b>	<b>Principle 3 is not applicable because there are not indigenous peoples in this area of Japan.</b>	<ul style="list-style-type: none"> <li>▪ NA</li> </ul>	
<b>P4: Community Relations &amp; Workers' Rights</b>	<ul style="list-style-type: none"> <li>▪ While Asahi Forest does not have an express policy to preferentially hire from local communities, the majority of workers/contractors are hired from local communities.</li> <li>▪ Asahi Forest makes numerous contributions to public education about forest management by providing tours to visitors, such as local elementary schools.</li> <li>▪ Members of the community are kept informed via employees and contractors that live in the community. Additionally tours provided by Asahi help keep the community informed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ There are no documented procedures for conflict resolution</li> <li>▪ Some contract workers are not equipped with safety equipment.</li> <li>▪ There are no documented procedures for conflict resolution</li> <li>▪ The management plan does not expressly contain a section assessing the social impact of their land management activities.</li> </ul>	CAR 2006.2 CAR 2006.3 CAR 2006.4

<b>P5: Benefits from the Forest</b>	<ul style="list-style-type: none"> <li>▪ The combination of financial support from the parent company and income generating activities (commercial thins) make for an economically viable operation.</li> <li>▪ Asahi has taken an active role in developing downstream markets for logs, e.g., sign boards and other gift items. Management is aimed at producing long-term high grade lumber.</li> <li>▪ Asahi is working to producing a mix of products from a relatively young forest.</li> <li>▪ Approximately 25% of the forest is designated as reserve.</li> <li>▪ Growth estimates on Asahi Forest are 4800 M<sup>3</sup> per year growth (not counting mortality). Current harvest levels are at 1000-2000 M<sup>3</sup> per year, which is well below net growth.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Excessive amounts for woody debris were left on landings, including a landing within a riparian buffer zone.</li> <li>▪ Although Asahi staff actively oversee logging operations, the audit team is not aware of a formal post-harvest audit process.</li> <li>▪ Field guidelines recognizing the ecological value of biomass are not available.</li> <li>▪ Asahi has not been keeping accurate records of harvest volume, by species groups.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CAR 2006.5</li> <li>▪ CAR 2006.6</li> </ul>
<b>P6: Environmental Impact</b>	<ul style="list-style-type: none"> <li>▪ A biological inventory of the plantation was conducted in 2000.</li> <li>▪ Asahi Forest maintains and promotes broadleaf understory vegetation within its plantations.</li> <li>▪ using suspended skyline yarding reduces impact to soil resources.</li> <li>▪ Approximately 25% (500 ha) of Asahi Forest is unmanaged with the natural forest being maintained.</li> <li>▪ Asahi has long-term plans to restore riparian areas to natural forest by encouraging broadleaf trees and thinning conifer plantations.</li> <li>▪ Asahi Forest does not use chemical pesticides.</li> <li>▪ Hinoki and sugi are native to Japan, and do not pose environmental impacts such as off-site regeneration.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Site-level environmental impact assessments are not occurring in every instance.</li> <li>▪ there are no specific management policies or instructions for identification and protection of species of concern.</li> <li>▪ Access to the forest is controlled through gates and postage of signs.</li> <li>▪ Whole-tree harvesting during line thinning removes woody debris (nutrients) from already thin soils and leaves exposed mineral soil more susceptible to erosion.</li> <li>▪ Asahi Forest does not implement control measures for invasive exotic plants.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CAR 2006.5</li> <li>▪ CAR 2006.7</li> <li>▪ CAR 2006.8</li> <li>▪ CAR 2006.9</li> <li>▪ CAR 2006.10</li> </ul>

<b>P7: Management Plan</b>	<ul style="list-style-type: none"> <li>▪ The Asahi Forest management plan addresses the majority of elements listed fewer than 7.1</li> <li>▪ Asahi Breweries is committed to providing funding and staffing necessary to support the full plan.</li> <li>▪ Management plan is updated every 5 years.</li> <li>▪ Asahi forest staff have sought opportunities, e.g., forester training at Hayami, to increase conversancy in forest management.</li> <li>▪ The public summary of the management plan is available at Asahi's website.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Asahi needs to address f, g, i of 7.1</li> <li>▪ Forest workers need more specific instructions to ensure that activities are carried out in a manner that meets environmental and health and safety objectives of Asahi forest.</li> <li>▪ Monitoring of forest conditions is not systematic, replicable, or comprehensive enough to provide useful information in revising the management plan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CAR 2006.5</li> <li>▪ CAR 2006.11</li> <li>▪ CAR 2006.12</li> <li>▪ Rec's 2006.2</li> <li>▪ Rec's 2006.3</li> </ul>
<b>P8: Monitoring &amp; Assessment</b>	<ul style="list-style-type: none"> <li>▪ Monitoring protocols that currently exist are being followed.</li> <li>▪ Monitoring covers many aspect that are specified in criterion 8.2</li> </ul>	<ul style="list-style-type: none"> <li>▪ Asahi has written protocols for monitoring; however, they lack specificity and coverage of all the necessary elements of 8.2. See CAR 2006.12.</li> <li>▪ Monitoring needs to be enhanced/re-structured so that results of monitoring feed back into management decisions.</li> <li>▪ Monitoring efforts for Asahi are recent and are currently not substantive enough for a public summary.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CAR 2006.12</li> <li>▪ CAR 2006.13</li> <li>▪ Rec's 2006.5</li> </ul>
<b>P9: Maintenance of High Conservation Value Forest</b>	<p>Asahi Forest has unofficially designated Quercus and Fagus forests as HCVF.</p> <ul style="list-style-type: none"> <li>▪ input on HCVF was received from researchers, consulting biologist, and local users of the forest</li> <li>▪ HCVF stands are not entered for harvesting, thus there protection is effectively assured.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The designation of the two HCVF areas has not been formalized nor shared with the public.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CAR 2006.14</li> </ul>

<b>P10: Plantations</b>	<ul style="list-style-type: none"> <li>▪ Landowner objectives are included in the management plan and include being economically efficient, securing viable forest resources, preventing site deterioration, and managing for the public benefit.</li> <li>▪ At least 25% of the Asahi Forest is maintained as broadleaf non-commercial forest.</li> <li>▪ Forest products, currently only material from thinning, contribute to local markets thus reducing pressure on other natural forests.</li> <li>▪ Asahi Forest has yet to conduct an even-aged harvest. Once the forest reaches its final harvest age- clearcuts will be limited to 40 acres or less.</li> <li>▪ Thus, Asahi Forest provides an acceptable level of diversity through its planting of hinoki and sugi species, as well as retention of understory broadleaf trees.</li> <li>▪ Asahi Forest is knowledgeable of the soil types found within their forest.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The management plan includes objectives and policies, however, explicit guidelines are necessary.</li> <li>▪ Line thinning is done using whole tree logging thus stripping the forest of nutrients and leaving areas of exposed mineral soil subject to erosion</li> <li>▪ Forest monitoring needs to be improved</li> </ul>	<ul style="list-style-type: none"> <li>▪ CAR 2006.5</li> <li>▪ CAR 2006.10</li> <li>▪ CAR 2006.12</li> </ul>
-------------------------	--	---	--

## 4.2 Preconditions

Preconditions are major corrective action requests that are placed on a forest management operation after the initial evaluation and before the operation is certified. Certification cannot be awarded if open preconditions exist. There were no preconditions resulting from this assessment.

## 5.0 CERTIFICATION DECISION

### 5.1 Certification Recommendation

As determined by the full and proper execution of the SCS *Forest Conservation Program* evaluation protocols, the evaluation team hereby recommends that Asahi Breweries LTD Corporate Forest (Asahi Forest) be awarded FSC certification as a “Well-Managed Forest” subject to the corrective action requests stated in Section 5.2. Asahi Forest has demonstrated that their system of management is capable of ensuring that all of the requirements of the SCS Interim Standard for Japan are met over the forest area covered by the scope of the evaluation. Asahi Forest has also demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate.

### 5.2 Initial Corrective Action Requests

<b>Background/Justification:</b> Asahi staff were knowledgeable of FSC standard, only at the Principle level	
<b>CAR 2006.1</b>	By the 2007 surveillance audit, all members of the professional staff of Asahi Forest must have a working understanding of the FSC Criteria and Indicators.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criteria 1.6

<b>Background/Justification:</b> Safety conditions need improvement.	
<b>CAR 2006.2</b>	By the 2007 surveillance audit, Asahi Forest must implement procedures that ensure all forest workers including contractors on Asahi have and are using proper safety equipment (e.g., either provide safety equipment or specify it as a requirement of the contract)
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Indicator 4.2.3

<b>Background/Justification:</b> There are no documented procedures for conflict resolution
---

<b>CAR 2006.3</b>	By the 2007 surveillance audit, Asahi Forest must develop documented procedures for conflict resolution.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	Criterion 4.3

<b>Background/Justification:</b> Asahi does not conduct any social impact assessment.	
<b>CAR 2006.4</b>	By the 2007 surveillance audit, a social impact assessment/monitoring protocol must be designed and implemented. Additionally, by the 2007 surveillance audit a written summary of the results of the social impact assessment must be provided.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	Criteria 4.4, 10.8

<b>Background/Justification:</b> More explicit training and work instructions are needed.	
<b>CAR 2006.5</b>	<p>Phase 1: By the 2007 surveillance audit, Asahi Forest must develop and implement a set of harvest related work instructions/guidelines for its staff and contract workers covering:</p> <ul style="list-style-type: none"> <li>• utilization specifications</li> <li>• slash retention for ecological purposes- ensure ecological value of some biomass (not being utilized) is left on the forest floor or returned to the forest from the landing.</li> <li>• minimizing soil erosion (6.5.1)</li> <li>• slash disposal</li> <li>• minimizing damage to forest vegetation during harvesting (6.5.2)</li> <li>• protecting water resources (6.5.3)</li> <li>• road maintenance (6.5.6)</li> <li>• proper handling and disposal of liquid and solid non-organic waste (6.7)</li> <li>• measures to prevent and clean-up fuels wastes in the event of an accident (6.7)</li> </ul> <p>Phase 2: By the 2007 surveillance audit, Asahi must apply the guidelines developed in Phase 1 to pre and post harvest inspections of all logging operations. Additional training of Asahi staff and/or contracted forest workers deemed necessary to effectively implement the guidelines must also be initiated by the 2007 surveillance audit.</p>
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criteria 5.3, 6.3, 6.5, 6.7, 7.1, 7.3, 10.1, 10.2, 10.3

<b>Background/Justification:</b> Asahi is not properly tracking harvest volumes per species.	
<b>CAR 2006.6</b>	By the 2007 surveillance audit, Asahi Forest must track and keep records of harvest volume by species groups.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criteria 5.6, 8.2

<b>Background/Justification:</b> Environmental impact assessments are not of the rigor required by the FSC.	
<b>CAR 2006.7</b>	By the 2007 surveillance audit, Asahi Forest must develop and implement a written work procedure, using the results from the previous biological survey, that describes how project level environmental impacts will be assessed and mitigated for prior to undertaking management actions. It is possible, that these assessments can be incorporated into the existing site-level inspection program; however it is critical for the inspections to occur prior to management actions and to be used as a way to mitigate potential impacts.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criterion 6.1

<b>Background/Justification:</b> Training and instructions for identifying and protecting species of concern are not adequate.	
<b>CAR 2006.8</b>	By the 2007 surveillance audit, Asahi Forest must develop and implement specific guidelines/instructions for identifying and safeguarding species of concern that may be impacted by harvesting. Additional training (e.g. species or habitat identification) of Asahi staff and/or forest workers deemed necessary to effectively implement the guidelines must also be initiated by the 2007 surveillance audit.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criterion: 6.2

<b>Background/Justification:</b> Clearcutting of a buffer zone needs to be corrected through planting and restoration of the site.	
<b>CAR 2006.9</b>	By the 2008 surveillance audit Asahi Forest must take steps to ensure the buffer zone areas that were clearcut are adequately regenerating to desired species. Adequate steps include determining what type of native vegetation they want to establish in buffer zones, and then, as needed, facilitating the establishment of this vegetation through planting and/or control of undesirable competing species.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criterion: 6.5

<b>Background/Justification:</b> There is no program to identify and control invasive exotic species.	
<b>CAR 2006.10</b>	By the 2008 surveillance audit, Asahi Forest needs to develop and implement procedures to monitor for and control invasive trees/plants on the plantation such as bamboo grass.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criterion 6.9

<b>Background/Justification:</b> The management plan needs to be upgraded to conform with 7.1.	
<b>CAR 2006.11</b>	By the 2008 surveillance audit Asahi Forest must expand their management planning document to cover all the elements listed under Criterion 7.1.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criterion 7.1

<b>Background/Justification:</b> Monitoring needs to be upgraded to fully conform with Criterion 8.2	
<b>CAR 2006.12</b>	By the 2008 surveillance audit, Asahi Forest must expand their monitoring program to ensure yield of all forest products harvested, composition of observed changes in flora and fauna, and environmental impacts of harvesting (including changes in soil) are sufficiently monitored in accordance with Criterion 8.2.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criterion 8.2

<b>Background/Justification:</b> Although it has not been requested, Asahi must prepare a public summary of monitoring results	
<b>CAR 2006.13</b>	By the 2007 surveillance audit (or within 1 month of an outside request for a public summary, whichever comes first), Asahi must prepare a public summary of monitoring results, and a plan for its periodic update.
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Criterion 8.5

<b>Background/Justification:</b> Asahi needs to memorialize and finalize their HCVF	
<b>CAR 2006.14</b>	Asahi Forest must formalize its designation of Quercus and Fagus as HCVF by:

	<ol style="list-style-type: none"> <li>1. Preparing a written memo or addendum to the website that describes these HCVF areas and why they are nominated.</li> <li>2. As needed, develop management guidelines that describe how its values will be maintained</li> <li>3. Share this information with outside specialists, and consider any input they may have on HCVF at Asahi</li> <li>4. Demonstrate through monitoring results that HCVF values are being maintained</li> </ol>
<b>Deadline</b>	2007 surveillance audit
<b>Reference</b>	FSC Principle 9

## Recommendations

Recommendation 2006.1: Asahi Forest should develop an explicit approach to resolving grievances, and provide, upon request, a description of the approach to its stakeholders.

Recommendation 2006.2: There is an opportunity to identify staff and contractor training needs, and seek or arrange for this training.

Recommendation 2006.3: Asahi Forest should explore arranging meetings/work sessions with the prior forest manager to allow for transformation of information to the new management team, which is needed to review the prior forest management and develop new forest management system.

Recommendation 2006.4: removed- per client's request

Recommendation 2006.5: Asahi should revise/expand/structure its monitoring program so that it is most useful and applicable to management of the forest. For example, some of the non-managed broadleaf areas are currently a priority and focus of monitoring, however, these provide useful information for only biodiversity, not for whole management of hinoki and sugi stands.

## 6.0 SURVEILLANCE EVALUATIONS

### 6.1 2007 Annual Audit

#### 6.1.1 Assessment Dates

The field portion of the audit was conducted on June 11 and 12, 2007, by a two person team. A total of four person-days were spent conducting the audit. An additional 3 person days were spent preparing and translating the report.

#### 6.1.2 Assessment Personnel

For this annual audit, the team was comprised of Mr. Shuhei Tomimura and Mr. Naoya Ogawa. Mr. Tomimura and Mr. Ogawa conducted the 2006 audit, thus providing for good continuity.

**Mr. Shuhei Tomimura, Forester:**

Mr. Tomimura is a professional consultant based in Tokyo, and representative of Tomimura Environment Research Office. His professional expertise is in the areas of forest ecology, forest conservation and engineering in the forestry domain. He received his forestry training and diploma from the Forestry Faculty of Kyoto Prefectural University. He also studied forest ecology at the National Forest Research Center of France. Prior to establishing his own consultancy, Mr. Tomimura was employed for 23 years by Asia Air Survey Co., Ltd.. During this time, he acquired extensive international forestry experience in countries such as Morocco, Ivory Coast, Paraguay and Europe. He has also served as a Lecturer in the Ecology Faculty at Toyo Engineering College. He holds a title of Professional Engineer (Forestry).

**Naoya Ogawa, AMITA Program Manager**

Mr. Ogawa participated in many FSC certification audits in Japan as a supporter. Mr. Ogawa is employed by AMITA Corporation and is the program coordinator for AMITA Corporation's Forest Certification Program. He majored in forest science and holds a M.S. in agriculture studies from the University of Tokyo, Japan.

**6.1.3 Assessment Process**

The scope of the 2007 annual audit, as with all annual audits, included: document review, field and office assessments, and staff interviews. The site visit of the 2007 surveillance audit was conducted June 10 and 11, 2007. Personnel participating in the audit included: Mr. Sigetaka Nakamura, Mr. Satoru Takenaka, Mr. Katsutoshi Yamashita, and Mr. Yoshitaka Miyoshi.

**Day 1:**

**A.M,**

**Office Interviews and Document Review**

- Review the status of CARs and Recommendations

**Field Surveillance**

**Stop 1 : Toribukuro-yama**

- Takemitsu Corporation, Asahi's contractor, was conducting line thinning in Hinoki and Sugi stands. Log making operation by processor.
- Slope of forest road was drilled and road was repaired.
- In the snowbreak sites, thinning of snow-damaged trees was conducted as part of training for the new personnel of the forestry association.

**P.M.**

**Stop 2 : Kimita Sagyousho (outsourced contractor)**

- Interview as to processing of FSC certified lumber.
- Check on delivery notes to forward the lumber to next processing

**Stop 3: North Hiroshima Prefecture Domestic Wood Processing Cooperative (outsourced contractor)**

- Interview as to processing of FSC certified lumber
- Check on storage of logs
- Check on delivery notes issued to Kimita Sagyousho

**Stop 4: Obara Wood (prospective applicant for COC certification)**

- Check on production of wood chip
- Interview with the president regarding management

**Day 2 :**

**A.M.**

**Stop 5 : Tawarabara-yama**

- Check on retention of the area that was subject to line thinning conducted 3 years ago. Currently 45 year old
- Check on vegetation restoration in the clear-cut areas to create buffer zones

**Stop 6 : Kounomura-yama**

- Check on the areas where thinning by girdling was conducted
- Check on retention of the area that was subject to line thinning conducted 3 years ago. Fixed-point observation spot
- Interview regarding the content of “Morinoko Juku (forest school of children)”

**Stop 7 : Takemitsu Sangyo**

- Interview with Takemitsu’s president regarding the methods of line thinning, management of forest roads, and sales of lumber

**P.M.**

**Office Interviews and Document Review**

- Update on Asahi’s personnel and management system
- Review of CAR/Rec’s status

**Auditors’ Synthesis and Closing Meeting**

- Synthesis and team discussion
- Presentation and exit interview

**6.1.4 Status of Corrective Action Requests and Recommendations**

As a result of the 2007 annual audit, the status of CAR and Recommendations is described bellow.

<b>CAR 2006.1 (minor)</b>	<b>Reference: FSC P&amp;C 1.6</b>
By the 2007 surveillance audit, all members of the professional staff of Asahi Forest must have a working understanding of the FSC Criteria and Indicators.	
<b>Action Taken by Company / Auditor Comments:</b>	
Each member thoroughly read the updated audit report. All the personnel visited and inspected Kamiinako Forest of Oji Paper Co., Ltd. Kamiinako Forest has been SGEC-certified, yet it shares many aspects in common with Asahi’s forests. The management of the former is very knowledgeable about monitoring of ecosystem. Trails are open	

to the residents of the community. There is a problem of gates/doors getting destroyed. Line thinning is planned with using tower yarder in Kamiinako Forest, and its personnel will visit Asahi's Shobara Corporate Forest

**Position in the end of this audit: CAR closed**

**CAR 2006.2 (minor)**

**Reference: FSC P&C 4.2.3**

By the 2007 surveillance audit, Asahi Forest must implement procedures that ensure all forest workers including contractors on Asahi have and are using proper safety equipment (e.g., either provide safety equipment or specify it as a requirement of the contract)

**Action Taken by Company / Auditor Comments:**

There was a worker's accident to one of Asahi's temporary personnel, who was injured from slip and drop. Currently, Asahi's workers are wearing safety boots, aprons, helmets, and safety gloves.

Asahi provided a safety manual to Takemitsu Sangyo, thinning contractor, and has requested it be followed to ensure the use of safety equipment. Asahi also provided a Manual/Guideline for Logging and a Guideline for Protection of Rare Species. Asahi has not requested the Forestry Association to equip its staff with safety equipment, which has no plan of contracting from Asahi this year. It is necessary to check on wearing of safety equipment by the staff including contractors' employees and the equipment's usability.

**Position in the end of this audit: CAR closed, issued new related CAR 2007.1**

**CAR 2006.3 (minor)**

**Reference: FSC P&C 4.3**

By the 2007 surveillance audit, Asahi Forest must develop documented procedures for conflict resolution.

**Action Taken by Company / Auditor Comments:**

Asahi developed a document on conflict resolution. Asahi will ensure proper management of conflict when it arises.

**Position in the end of this audit: CAR closed.**

**CAR 2006.4 (minor)**

**Reference: FSC P&C 4.4, 10.8**

By the 2007 surveillance audit, a social impact assessment/monitoring protocol must be designed and implemented. Additionally, by the 2007 surveillance audit a written summary of the results of the social impact assessment must be provided.

**Action Taken by Company / Auditor Comments:**

Asahi has not taken action on this CAR since the requests were not clearly understood by Asahi. Asahi organized events of forestry-ecological education in Kuchiwa-cho with the forest manager.

Asahi invited the children of Shobara Elementary School to the First “Morinoko Juku (forest children’s school)”. Asahi will hold a concert. Asahi gave lectures.  
 It is necessary to update the lists of processing companies, fishery associations, and visitors, and to develop a procedure to collect opinions about Asahi Corporate Forest in order to study whether there are social impacts.

**Position in the end of this audit: CAR continued.**

**CAR 2006.5 (minor)**

**Reference: FSC P&C 5.3, 6.3, 6.5, 6.7, 7.1, 7.3, 10.1, 10.2, 10.3**

Phase 1: By the 2007 surveillance audit, Asahi Forest must develop and implement a set of harvest related work instructions/guidelines for its staff and contract workers covering:

- utilization specifications
- slash retention for ecological purposes- ensure ecological value of some biomass (not being utilized) is left on the forest floor or returned to the forest from the landing.
- minimizing soil erosion (6.5.1)
- slash disposal
- minimizing damage to forest vegetation during harvesting (6.5.2)
- protecting water resources (6.5.3)
- road maintenance (6.5.6)
- proper handling and disposal of liquid and solid non-organic waste (6.7)
- measures to prevent and clean-up fuels wastes in the event of an accident (6.7)

Phase 2: By the 2007 surveillance audit, Asahi must apply the guidelines developed in Phase 1 to pre and post harvest inspections of all logging operations. Additional training of Asahi staff and/or contracted forest workers deemed necessary to effectively implement the guidelines must also be initiated by the 2007 surveillance audit.

**Action Taken by Company / Auditor Comments:**

Procedures/Guideline for Harvesting, and Rules for Maintenance and Management of Work Roads have been developed, but they lack in some aspects and are not adequate. There are documents such as Procedures on Usage of Logs, Minimizing Soil Erosion, Protection of Water Resources

In any case, it is necessary to organize these procedures/guidelines, and ensure proper checking prior to and after the forest operations.

Asahi conducted training to its staff while it has just requested Takemitsu Sangyo for training of the workers.

**Position in the end of this audit: CAR closed, issued new related CAR 2007.2**

**CAR 2006.6 (minor)**

**Reference: FSC P&C 5.6, 8.2**

By the 2007 surveillance audit, Asahi Forest must track and keep records of harvest volume by species groups.

**Action Taken by Company / Auditor Comments:**

Takemitsu Sangyo keeps track of the square size and volume of harvest and sales according to each species. Thus the volume of harvesting is thoroughly taken hold of. It is planned to register the history of operations into GIS.

**Position in the end of this audit: CAR closed**

**CAR 2006.7 (minor)**

**Reference: FSC P&C 6.1**

By the 2007 surveillance audit, Asahi Forest must develop and implement a written work procedure, using the results from the previous biological survey, that describes how project level environmental impacts will be assessed and mitigated for prior to undertaking management actions. It is possible, that these assessments can be incorporated into the existing site-level inspection program; however it is critical for the inspections to occur prior to management actions and to be used as a way to mitigate potential impacts.

**Action Taken by Company / Auditor Comments:**

No action has been taken as to documentation. Per FSC protocol, when no actions are undertaken to address a minor CAR, the CAR must be elevated to a Major. Major CAR 2006.7 now replaces minor CAR 2006.7.

Major CAR 2006.7 . Within 3 months of finalizing the 2007 report, Asahi Forest must present to SCS an action plan that describes how project-level environmental impacts will be assessed and mitigated prior to undertaking management actions. It is possible, that these assessments can be incorporated into the existing site-level inspection program; however it is critical for the inspections to occur prior to management actions and to be used as a way to mitigate potential impacts.

**Position in the end of this audit: elevated to Major CAR 2006.7**

**CAR 2006.8 (minor)**

**Reference: FSC P&C 6.2**

By the 2007 surveillance audit, Asahi Forest must develop and implement specific guidelines/instructions for identifying and safeguarding species of concern that may be impacted by harvesting. Additional training (e.g. species or habitat identification) of Asahi staff and/or forest workers deemed necessary to effectively implement the guidelines must also be initiated by the 2007 surveillance audit.

**Action Taken by Company / Auditor Comments:**

Biological research was conducted formerly and the major rare animal species are listed with their photographs. A Guideline for Protection of Rare Species was developed based on the result of this research.

Asahi gave oral as well as documented requests to Takemitsu Sangyo.

It is necessary to check the state of implementation on this issue.

**Position in the end of this audit: CAR closed, issued new related CAR 2007.3**

<b>CAR 2006.9 (minor)</b>	<b>Reference: FSC P&amp;C 6.5</b>
By the 2008 surveillance audit Asahi Forest must take steps to ensure the buffer zone areas that were clearcut are adequately regenerating to desired species. Adequate steps include determining what type of native vegetation they want to establish in buffer zones, and then, as needed, facilitating the establishment of this vegetation through planting and/or control of undesirable competing species.	
<b>Action Taken by Company / Auditor Comments:</b>	
Fixed-point observation is conducted at the buffer zones in Tawarabara-yama. Herbaceous species recovered. Continuous observation is necessary to see whether arboreous species can recover and vegetation unique to mountain stream get restored.	
<b>Position in the end of this audit: CAR due in 2008</b>	

<b>CAR 2006.10 (minor)</b>	<b>Reference: FSC P&amp;C 6.9</b>
By the 2008 surveillance audit, Asahi Forest needs to develop and implement procedures to monitor for and control invasive trees/plants on the plantation such as bamboo grass.	
<b>Action Taken by Company / Auditor Comments:</b>	
Procedures have not been developed.	
<b>Position in the end of this audit: CAR due in 2008</b>	

<b>CAR 2006.11 (minor)</b>	<b>Reference: FSC P&amp;C 7.1</b>
By the 2008 surveillance audit Asahi Forest must expand their management planning document to cover all the elements listed under Criterion 7.1.	
<b>Action Taken by Company / Auditor Comments:</b>	
Item f) and i) of the P&C 7.1 have not been documented in the plan.	
<b>Position in the end of this audit: CAR due in 2008</b>	

<b>CAR 2006.12 (minor)</b>	<b>Reference: FSC P&amp;C 6.5</b>
By the 2008 surveillance audit, Asahi Forest must expand their monitoring program to ensure yield of all forest products harvested, composition of observed changes in flora and fauna, and environmental impacts of harvesting (including changes in soil) are sufficiently monitored in accordance with Criterion 8.2.	
<b>Action Taken by Company / Auditor Comments:</b>	
Fixed-point photography is continuing. Environmental impact assessment will be conducted. It is desirable to add fixed-point photography at quadrats where previous research was conducted. The fixed points are measured by GPS, and it is ensured to maintain accuracy.	

It is necessary to ensure further implementation.

**Position in the end of this audit: CAR due in 2008**

**CAR 2006.13 (minor)**

**Reference: FSC P&C 8.5**

By the 2007 surveillance audit (or within 1 month of an outside request for a public summary, whichever comes first), Asahi must prepare a public summary of monitoring results, and a plan for its periodic update.

**Action Taken by Company / Auditor Comments:**

There weren't any request for the public summary. Asahi has monitoring data which can be publicized such as the result of the fixed-point photographing at this surveillance. It is desirable to publish the results of monitoring in the company's website.

**Position in the end of this audit: CAR Closed. CAR 2007.4 issued**

**CAR 2006.14 (minor)**

**Reference: FSC P 9**

Asahi Forest must formalize its designation of Quercus and Fagus as HCVF by:

1. Preparing a written memo or addendum to the website that describes these HCVF areas and why they are nominated.
2. As needed, develop management guidelines that describe how its values will be maintained
3. Share this information with outside specialists, and consider any input they may have on HCVF at Asahi
4. Demonstrate through monitoring results that HCVF values are being maintained

**Action Taken by Company / Auditor Comments:**

It is being considered to publicize general description of the above mentioned species with high protective value in the website.

It is clear that Asahi, has not fully understood the requirements of this CAR. Considering that Quercus and Fagus areas are already protected, the consequences of this CAR not being met are minor. As such, SCS grants an extension until the 2008 surveillance audit. However, if the CAR is not addressed by the 2008 surveillance audit, we will be forced to elevate it to a major CAR.

**Position in the end of this audit: Due 2008 surveillance audit**

**REC 2006.1**

**Reference: FSC P&C 5.4**

Asahi Forest should develop an explicit approach to resolving grievances, and provide, upon request, a description of the approach to its stakeholders.

**Action Taken by Company / Auditor Comments:**

Same as the CAR 2006.3. Asahi developed relevant procedures.  
Thus this REC closed.

<b>REC 2006.2</b>	<b>Reference: FSC P&amp;C 6.2</b>
There is an opportunity to identify staff and contractor training needs, and seek or arrange for this training.	
<b>Action Taken by Company / Auditor Comments:</b>	
Mr. Nakamura, head of the Asahi Forest will participate in the training on use of chainsaw and brush cutter. All staff participated in a study tour to the forest owned by Oji Papar, Co., Ltd. All staff participated in a training for thinning by girdling. Participation to a seminar organized by FORSTA (Forest Stewardship Alliance) is planned. Mr. Miyoshi participated in a training of construction machines. It is necessary to request Takemitsu to keep record of training history. It is being considered to hold study sessions together with Takemitsu's employees. This REC continued since continuous actions are required.	

<b>REC 2006.3</b>	<b>Reference: FSC P&amp;C 6.2</b>
Asahi Forest should explore arranging meetings/work sessions with the prior forest manager to allow for transformation of information to the new management team, which is needed to review the prior forest management and develop new forest management system.	
<b>Action Taken by Company / Auditor Comments:</b>	
GPS measurement was started. GIS was introduced in order to accumulate information on forest resource / forest management. On-the-job training program has not been considered. The REC continued.	

<b>REC 2006.4</b>	<b>Reference: FSC P&amp;C 6.3</b>
Asahi should revise/expand/structure its monitoring program so that it is most useful and applicable to management of the forest. For example, some of the non-managed broadleaf areas are currently a priority and focus of monitoring, however, these provide useful information for only biodiversity, not for whole management of hinoki and sugi stands.	
<b>Action Taken by Company / Auditor Comments:</b>	
Fixed-point photographing (landscape-level) will be added in order to observe the growth and structural change of artificial forest. The REC continued.	

### 6.1.5 General Observations

Asahi Forest's operation is currently shifting towards improvement of productivity and ensuring of stable harvest in quest of better economic efficiency. It seeks low-cost thinning methods such as line thinning and thinning by girdling, given the lowering of log price and unstable conditions. Asahi continues to invest in forest management necessary for sustainability of the forest (such as tending, thinning, introduction of GPS and GIS) to prepare for future harvesting.

On this point, it is necessary to accumulate and examine the data and knowledge as to harvest methods, harvest volume, future accumulation of forest resources to prevent harvest exceeding the forest's growth. There has been improvement on the utility of logs, with significant effort has been put to diversify the wood use from logs to foliage.

There has not been a big change of policy in its environmental and social actions since the last year's annual audit. One staff is on loan to a group company, one administrative staff retired, and currently there are 3 staff.

### 6.1.6 New Corrective Action Requests and Recommendation

The following CARs and RECs were issued during 2007 annual surveillance audit.

<b>Background/Justification:</b> It is necessary to check on wearing of safety equipment by the staff including contractors' workers and the equipment's usability.	
<b>CAR 2007.1</b>	Assahi shall develop a set of procedures to check on wearing of safety equipment by the staff including contractor's employees and the equipment's usability.
<b>Deadline</b>	2008 annual surveillance audit.
<b>Reference</b>	FSC indicator 4.2.3

<b>Background/Justification:</b> Procedures/Guideline for Harvesting, and Rules for Maintenance and Management of Work Roads have been developed, but they lack in some aspects and are not adequate. There are documents such as Procedures on Usage of Logs, Minimizing Soil Erosion, Protection of Water Resources In any case, it is necessary to organize these procedures/guidelines, and ensure proper checking prior to and after the forest operations. Asahi conducted training to its staff while it has just requested Takemitsu Sangyo for training of the workers.	
<b>CAR 2007.2</b>	Phase 1: By the 2008 surveillance audit, Asahi Forest must develop and implement a set of harvest related work instructions/guidelines for its staff and contract workers covering: <ul style="list-style-type: none"> <li>• slash retention for ecological purposes- ensure ecological value of some biomass (not being utilized) is left on the forest floor or returned to the forest from the landing.</li> <li>• slash disposal</li> <li>• minimizing damage to forest vegetation during harvesting (6.5.2)</li> <li>• road maintenance (6.5.6)</li> <li>• proper handling and disposal of liquid and solid non-organic waste (6.7)</li> <li>• measures to prevent and clean-up fuels wastes in the event of an accident (6.7)</li> </ul>

	Phase 2: By the 2008 surveillance audit, Asahi must apply the guidelines developed in Phase 1 to pre and post harvest inspections of all logging operations. Additional training of contracted forest workers deemed necessary to effectively implement the guidelines must also be initiated by the 2008 surveillance audit and training of Asahi staff must be continued.
<b>Deadline</b>	2008 annual surveillance audit.
<b>Reference</b>	FSC Criterion 5.3, 6.3, 6.5, 6.7, 7.1, 7.3, 10.1, 10.2, 10.3

<b>Background/Justification:</b> It is necessary to protect rare species according to the Guideline for Protection of Rare Species	
<b>CAR 2007.3</b>	Asahi shall provide necessary training (on species and identification of their habitat, etc.) to its staff and forest workers of the contractors regarding the contents of the Guideline for Protection of Rare Species, and shall implement this guideline.
<b>Deadline</b>	2008 annual surveillance audit.
<b>Reference</b>	FSC Criterion 6.2

<b>Background/Justification:</b> Criteiron 8.5 requires a public summary of monitoring results	
<b>CAR 2007.4</b>	<b>By the 2008 audit, Asahi must prepare a publically available summary of their monitoring results.</b>
<b>Deadline</b>	2008 annual surveillance audit.
<b>Reference</b>	FSC Criterion 8.5

### 6.1.7 General Conclusion of 2007 Annual Surveillance Audit

The SCS auditor team concludes that Asahi continues to be in adequate compliance with FSC Principles and Criteria, based on information that was gained from the on-site visit, interviews, and surveillance of documents. Therefore, continuation of certification, subject to progress on corrective actions, is recommended by the audit team.

## 6.2 2008 Annual Audit

### 6.2.1 Assessment Dates

The field portion of the audit was conducted on September 9 and 10, 2008, by a two person team. A total of four person-days were spent conducting the audit. An additional 3 person days were spent preparing and translating the report.

## 6.2.2 Assessment Personnel

For this annual audit, the team was comprised of Mr. Shuhei Tomimura and Mr. Naoya Ogawa. Mr. Tomimura and Mr. Ogawa conducted the 2007 audit, thus providing for good continuity.

### **Mr. Shuhei Tomimura, Forester:**

Mr. Tomimura is a professional consultant based in Tokyo, and representative of Tomimura Environment Research Office. His professional expertise is in the areas of forest ecology, forest conservation and engineering in the forestry domain. He received his forestry training and diploma from the Forestry Faculty of Kyoto Prefectural University. He also studied forest ecology at the National Forest Research Center of France. Prior to establishing his own consultancy, Mr. Tomimura was employed for 23 years by Asia Air Survey Co., Ltd.. During this time, he acquired extensive international forestry experience in countries such as Morocco, Ivory Coast, Paraguay and Europe. He has also served as a Lecturer in the Ecology Faculty at Toyo Engineering College. He holds a title of Professional Engineer (Forestry).

### **Naoya Ogawa, AMITA Program Manager**

Mr. Ogawa participated in many FSC certification audits in Japan as a supporter. Mr. Ogawa is employed by AMITA Corporation and is the program coordinator for AMITA Corporation's Forest Certification Program. He majored in forest science and holds a M.S. in agriculture studies from the University of Tokyo, Japan.

## 6.2.3 Assessment Process

The scope of the 2008 annual audit, as with all annual audits, included: document review, field and office assessments, and staff interviews. The site visit of the 2008 surveillance audit was conducted September 9 and 10, 2008. Personnel participating in the audit included: Mr. Sigetaka Nakamura, Ms. Chialing Wang, Mr. Katsutoshi Yamashita, and Mr. Yoshitaka Miyoshi.

### **Day 1:**

**A,M,**

#### **Office Interviews and Document Review**

- Review the status of CARs and Recommendations

#### **Field Surveillance**

##### **Stop 1: Landing of Togawa Mokuzai K.K.**

- Interview with Mr. Togawa, President of Togawa Mokuzai, a thinning contractor, on their working conditions, marketing situation, and chipping test of offcuts.
- Check on sorting operation at the landing.

##### **Stop 2: Sugawa-yama**

- Check on how the line thinning with the thinning rate of 4 lines harvested to 2 lines retained has been conducted, and discuss with employees of Asahi Forest and Mr. Togawa about a future harvesting method.
- Observe lumbering by harvesters.
- Check on the construction of simple operational roads. A construction method that places the roads in alignment with contours, reducing elevation gaps of slope.

- Check on the restoration of the forests thinned by Takemitsu Corporation last year. Their understory vegetation is recovering.

### **Stop 3: Tawarabara-yama**

- Check on how residual trees have grown in recovery since line thinning was conducted four years ago, and how understory vegetation has been restored. Currently 46 years old. Their tree crowns are closing.
- Check on vegetation restoration in the clear-cut areas to create buffer zones. Advancement of arboreal species was observed, but their full-scale recovery still requires a period of time.
- Check on the state of watercourses.

### **P.M.**

### **Stop 4: Kounomura-yama**

- Interview on the contents of "Morinoko Juku (forest children's school)." Planting of kunugi (*Quercus acutissima*). Boar wallows.
- Check on the situation after thinning by girdling was conducted. Tree crowns are closing, and active growth of residual trees was observed.
- Check on how the forest has been restored since line thinning was conducted five years ago. A fixed-point observation site. Understory vegetation recovered. Tree crowns have yet to close.

### **Stop 5: Toribukuro-yama**

- Check on 120-year-old sugi. Level the ground in the surrounding area. Make it a symbol of the Asahi-owned forests.

### **Stop 6: Akamatsu-yama**

- Check on the walks constructed in the forests of abemaki (*Quercus variabilis*) this year. They have had many visitors.

## **Day 2:**

### **A.M.**

### **Stop 1: North Hiroshima Prefecture Domestic Wood Processing Cooperative (a processing contractor)**

- Interview as to processing of FSC certified lumber.
- Check on the storage of logs.
- Check on invoices from Asahi Forest and delivery notes issued to Miyoshi, a social working center for handicapped people.

### **Stop 2: Miyoshi Social Working Center for Handicapped People (a processing contractor)**

- An organization owned by the same holding company as that of Kimita Sagyosho. The center is now the point of contact instead of Kimita Sagyosho.
- Interview as to processing of FSC certified lumber.
- Check on delivery notes to forward the lumber to next processing
- Check on the workplaces and interview with assigned workers.

### **P.M.**

### **Office Interviews and Document Review**

- Update on Asahi's personnel and management system

- Review of CAR/Rec’s status

**Auditors’ Synthesis and Closing Meeting**

- Synthesis and team discussion
- Presentation and exit interview

**6.2.4 Status of Corrective Action Requests and Recommendations**

As a result of the 2008 annual audit, the status of CAR and Recommendations is described bellow.

<b>CAR 2006.4 (minor)</b>	<b>Reference: FSC P&amp;C 4.4, 10.8</b>
By the 2007 surveillance audit, a social impact assessment/monitoring protocol must be designed and implemented. Additionally, by the 2007 surveillance audit a written summary of the results of the social impact assessment must be provided.	
<b>Action Taken by Company / Auditor Comments:</b>	
<p>Asahi has not taken action on this CAR since the requests were not clearly understood by Asahi . Asahi organized events of forestry-ecological education in Kuchiwa-cho with the forest manager. Asahi invited the children of Shobara Elementary School to the First “Morinoko Juku (forest children’s school)”. Asahi will hold a concert. Asahi gave lectures.</p> <p>It is necessary to update the lists of processing companies, fishery associations, and visitors, and to develop a procedure to collect opinions about Asahi Corporate Forest in order to study whether there are social impacts.</p> <p>The 2008 Surveillance Audit: Stakeholders were listed. Outsourced Contractors: North Hiroshima Prefecture Domestic Wood Processing Cooperative, Miyoshi Social Working Center for Handicapped People; Fishermen's Cooperatives: Fishermen's Cooperative of Saijogawa, Fishermen's Cooperative of Enokawa; Administrative Agencies: North Hiroshima District Forest Office of the Forestry Agency, Forestry Section of Hiroshima Prefecture Agriculture and Forestry Office.</p> <p>While fishermen's cooperatives have not been interviewed, there has been no complaint. A local resident asked for the construction of a dam for disaster prevention across a river in the company-owned forests. After consultation with the city office, it was decided that the prefecture and the Forestry Agency will engage in the construction in the next fiscal year or later.</p> <p>Local residents said that roads were tainted with mud due to log transportation. Togawa Mokuzai, a contractor, extends greetings to local residents for notice before starting their work, and takes preventive measures such as placing iron plates on vulnerable road surfaces.</p> <p>Cooperative relations with the forest office are deepening, such as joint construction of operational roads.</p> <p>191 people have visited the area from January to the present in 2008 fiscal year. 251 visitors in 2007 fiscal year.</p> <p>Sponsored by Chugoku Shimbun, a meeting for dialogue between companies and consumers is held every September to consult consumers. Participants are mainly from within the prefecture. "Morinoko Juku (forest children's school)" continues to be held for the sixth grade of elementary school.</p> <p>Efforts on social impacts are improved, such as listing of stakeholders, consultations with local</p>	

residents, and dialogues with various stakeholders for improvement.

**Position in the end of this audit: CAR closed.**

**CAR 2006.7 (minor)**

**Reference: FSC P&C 6.1**

By the 2007 surveillance audit, Asahi Forest must develop and implement a written work procedure, using the results from the previous biological survey, that describes how project level environmental impacts will be assessed and mitigated for prior to undertaking management actions. It is possible, that these assessments can be incorporated into the existing site-level inspection program; however it is critical for the inspections to occur prior to management actions and to be used as a way to mitigate potential impacts.

**Action Taken by Company / Auditor Comments:**

No action has been taken as to documentation. Per FSC protocol, when no actions are undertaken to address a minor CAR, the CAR must be elevated to a Major. Major CAR 2006.7 now replaces minor CAR 2006.7.

Major CAR 2006.7 . Within 3 months of finalizing the 2007 report, Asahi Forest must present to SCS an action plan that describes how project-level environmental impacts will be assessed and mitigated prior to undertaking management actions. It is possible, that these assessments can be incorporated into the existing site-level inspection program; however it is critical for the inspections to occur prior to management actions and to be used as a way to mitigate potential impacts.

The 2008 surveillance audit: Points to be checked prior to actions are incorporated into the inspection program. Togawa Mokuzai, a contractor, is provided with the inspection program to be informed about it, and an internal site inspection (environmental impact assessment) is conducted before starting operations. With no records of the environmental impact assessments maintained, it is necessary to keep the records of the assessments using such a tool as a checklist.

**Position in the end of this audit: CAR closed, issued new CAR 2008.1**

**CAR 2006.9 (minor)**

**Reference: FSC P&C 6.5**

By the 2008 surveillance audit Asahi Forest must take steps to ensure the buffer zone areas that were clearcut are adequately regenerating to desired species. Adequate steps include determining what type of native vegetation they want to establish in buffer zones, and then, as needed, facilitating the establishment of this vegetation through planting and/or control of undesirable competing species.

**Action Taken by Company / Auditor Comments:**

Fixed-point observation is conducted at the buffer zones in Tawarabara-yama. Herbaceous species recovered. Continuous observation is necessary to see whether arboreous species can recover and vegetation unique to mountain stream get restored.

The 2008 surveillance audit: Fixed-point photography continues. The fixed point is determined with GPS. It is observed that arboreous species are gradually emerging. Restoration of arboreous species was also observed during a site inspection. However, it is observed at the same time that branches and leaves accumulated in the buffer zone area prevent the restoration. It is necessary to remove those branches and leaves and to observe the settlement of arboreous species.

**Position in the end of this audit: CAR closed, issued new REC 2008.1**

**CAR 2006.10 (minor)**

**Reference: FSC P&C 6.9**

By the 2008 surveillance audit, Asahi Forest needs to develop and implement procedures to monitor for and control invasive trees/plants on the plantation such as bamboo grass.

**Action Taken by Company / Auditor Comments:**

Procedures have not been developed.

The 2008 surveillance audit: Preparation of "Monitoring of Invasive Plants in the Plantation." Asahi Forest should perform monitoring during an inspection, and take a measure such as immediate cutting when an invasion is observed. Bamboo, kudzu vine, wisteria vine, silver vine, akebi, and other similar species are supposed as invasive plants. As a result of site inspections, it was observed that the invasive plants are removed on a daily basis through proper operations in the Asahi-owned forests, while forests in the surrounding area are degrading due to bamboo thickets or vine species.

**Position in the end of this audit: CAR closed**

**CAR 2006.11 (minor)**

**Reference: FSC P&C 7.1**

By the 2008 surveillance audit Asahi Forest must expand their management planning document to cover all the elements listed under Criterion 7.1.

**Action Taken by Company / Auditor Comments:**

Item f) and i) of the P&C 7.1 have not been documented in the plan.

Refer to CAR 2006.7 for f) environmental impact assessments.

For i), the harvesting method is now specified.

Traditional line thinning mainly involves long-span cable yarding and there has been a concern about the impacts on harvesting and the environment such as the growth of residual forests and the removal of soil under the cables. To address this concern, a contractor was replaced with the one who uses such a yarding method as short-span collection with simple operational roads enhanced. This is a leading method that does not damage residual trees, and an operation with the thinning of 4:2 allows for the next harvesting in the residual forests. This silvicultural operation leveraging simple operational roads has proved to be effective. The construction of the simple operational roads follows a standard of Hiroshima prefecture to ensure efficient networking. As such, the roads have small elevation gaps and run in alignment with contours, having low environmental impacts and making operations easy. Also, they cause less soil runoff and faster environmental restoration across the forest lands. However, the recovery of the residual forests'

growth must continue to be monitored.
<b>Position in the end of this audit: CAR closed</b>

<b>CAR 2006.12 (minor)</b>	<b>Reference: FSC P&amp;C 6.5</b>
By the 2008 surveillance audit, Asahi Forest must expand their monitoring program to ensure yield of all forest products harvested, composition of observed changes in flora and fauna, and environmental impacts of harvesting (including changes in soil) are sufficiently monitored in accordance with Criterion 8.2.	
<b>Action Taken by Company / Auditor Comments:</b>	
Fixed-point photography is continuing. Environmental impact assessment will be conducted. It is desirable to add fixed-point photography at quadrats where previous research was conducted. The fixed points are measured by GPS, and it is ensured to maintain accuracy. It is necessary to ensure further implementation.	
The 2008 surveillance audit: Monthly reports are received from Togawa Mokuzai regarding timber volumes of sugi, hinoki, and matsu by delivery destination. Species of plants and animals are monitored, and when newly discovered during an inspection, their information including photos is registered with GIS. The vegetation restoration in thinned forest areas is monitored with fixed-point photography.	
<b>Position in the end of this audit: CAR closed</b>	

<b>CAR 2006.14 (minor)</b>	<b>Reference: FSC P 9</b>
Asahi Forest must formalize its designation of Quercus and Fagus as HCVF by:	
<ol style="list-style-type: none"> <li>1. Preparing a written memo or addendum to the website that describes these HCVF areas and why they are nominated.</li> <li>2. As needed, develop management guidelines that describe how its values will be maintained</li> <li>3. Share this information with outside specialists, and consider any input they may have on HCVF at Asahi</li> <li>4. Demonstrate through monitoring results that HCVF values are being maintained</li> </ol>	
<b>Action Taken by Company / Auditor Comments:</b>	
It is being considered to publicize general description of the above mentioned species with high protective value in the website.	
It is clear that Asahi, has not fully understood the requirements of this CAR. Considering that Quercus and Fagus areas are already protected, the consequences of this CAR not being met are minor. As such, SCS grants an extension until the 2008 surveillance audit. However, if the CAR is not addressed by the 2008 surveillance audit, we will be forced to elevate it to a major CAR.	
The 2008 surveillance audit:	
<ol style="list-style-type: none"> <li>1. Their website has been updated to make it easy for the public to understand. It explains about the existence and values of Fagus and Quercus forests.</li> <li>2. HCVFs are treated the same way as a conservation area and harvesting is prohibited in those</li> </ol>	

forests.

3. The forest office is consulted on a daily basis. Visitors are given an explanation and consulted about the Fagus and Quercus forests.

4. Photo shoots have been done at 15 locations in the company-owned forests, including the Fagus and Quercus forests.

While most efforts are advancing as described above, there still remain the following shortcomings: For item 1, there is no explanation about the fact that the Fagus and Quercus forests are designated as HCVEs. For item 3, experts have not been consulted about HCVEs. For item 4, regular photography has not been planned. To address these problems, CAR 2008.2 is newly issued.

**Position in the end of this audit: closed, issued new CAR 2008.2**

**CAR 2007.1 (minor)**

**Reference: FSC indicator 4.2.3**

Asahi shall develop a set of procedures to check on wearing of safety equipment by the staff including contractor's employees and the equipment's usability.

**Action Taken by Company / Auditor Comments:**

"Safety Instruction Manual" has been prepared. The operation plan, including detailed safety management techniques, has been received from Togawa Mokuzai. However, safety equipment is described insufficiently in it. Asahi Forest has verified the safety in the field, and no specific problem other than the safety equipment has been identified. It is necessary to ask Togawa Mokuzai and the forestry association to use the safety equipment compliant with the ILO guidelines, and to verify its implementation and usability.

**Position in the end of this audit: CAR closed, issued new CAR 2008.3**

**CAR 2007.2 (minor)**

**Reference: FSC Criterion 5.3, 6.3, 6.5, 6.7, 7.1, 7.3, 10.1, 10.2, 10.3**

Phase 1: By the 2008 surveillance audit, Asahi Forest must develop and implement a set of harvest related work instructions/guidelines for its staff and contract workers covering:

- slash retention for ecological purposes- ensure ecological value of some biomass (not being utilized) is left on the forest floor or returned to the forest from the landing.
- slash disposal
- minimizing damage to forest vegetation during harvesting (6.5.2)
- road maintenance (6.5.6)
- proper handling and disposal of liquid and solid non-organic waste (6.7)
- measures to prevent and clean-up fuels wastes in the event of an accident (6.7)

Phase 2: By the 2008 surveillance audit, Asahi must apply the guidelines developed in Phase 1 to pre and post harvest inspections of all logging operations. Additional training of contracted forest workers deemed necessary to effectively implement the guidelines must also be initiated by the 2008 surveillance audit and training of Asahi staff must be continued.

<b>Action Taken by Company / Auditor Comments:</b>
Togawa Mokuzaï has been asked to consider effective use of remaining materials from the forest lands. A utilization test for MDF is planned. The simple operational road approach has reduced damages to residual trees. Forest roads are maintained. For waste handling, a written direction has been issued to Togawa Mokuzaï. For other tasks such as fuel handling, verbal instructions have been given to them. However, mutual checks should be thoroughly performed using guidelines and checklists, regarding pre-operation instructions and situations during and after an operation.
<b>Position in the end of this audit: CAR closed, issued new CAR 2008.4</b>

<b>CAR 2007.3 (minor)</b>	<b>Reference: FSC Criterion 6.2</b>
Asahi shall provide necessary training (on species and identification of their habitat, etc.) to its staff and forest workers of the contractors regarding the contents of the Guideline for Protection of Rare Species, and shall implement this guideline.	
<b>Action Taken by Company / Auditor Comments:</b>	
Togawa Mokuzaï was provided with the guideline before operation, and has been instructed to follow it. If a rare species is discovered, it is registered with GIS, but reports from external contractors or other stakeholders have not been recorded.	
<b>Position in the end of this audit: CAR closed, issued new REC 2008.2</b>	

<b>CAR 2007.4 (minor)</b>	<b>Reference: FSC Criterion 8.5</b>
By the 2008 audit, Asahi must prepare a publically available summary of their monitoring results.	
<b>Action Taken by Company / Auditor Comments:</b>	
A material for internal use that summarizes maps, photos, and overviews of the forests is being prepared. What contents to be published on the website is under review. Information on rare species will not be released to prevent indiscriminate hunting. However, progress and efforts to improve the environment through forest maintenance should be made public.	
<b>Position in the end of this audit: CAR closed, issued new CAR 2008.5</b>	

<b>REC 2006.2</b>	<b>Reference: FSC P&amp;C 6.2</b>
There is an opportunity to identify staff and contractor training needs, and seek or arrange for this training.	
<b>Action Taken by Company / Auditor Comments:</b>	
Mr. Nakamura, head of the Asahi Forest will participate in the training on use of chainsaw and brush cutter. All staff participated in a study tour to the forest owned by Oji Papar, Co., Ltd. All	

staff participated in a training for thinning by girdling. Participation to a seminar organized by FORSTA (Forest Stewardship Alliance) is planned. Mr. Miyoshi participated in a training of construction machines.

It is necessary to request Takemitsu to keep record of training history.

It is being considered to hold study sessions together with Takemitsu's employees.

This REC continued since continuous actions are required.

The 2008 surveillance audit: Mr. Miyoshi took part in a training session regarding increment estimation software for large-diameter trees developed by Hiroshima Prefectural Technology Research Institute Forestry Research Center. In the future, timber volumes will be calculated using the software and incorporated into the forest register.

Asahi Forest visits other tree farms every year, and will go over Yakusima Island in October this year.

Asahi Forest exchanges information on safety management and working methods with Togawa Mokuzai. Togawa Mokuzai is highly conscious of safety management. Employees of Togawa Mokuzai are properly qualified.

They participate in various seminars including Forsta's offerings to collect information. Useful information published on magazines is shared internally.

This REC is closed.

<b>REC 2006.3</b>	<b>Reference: FSC P&amp;C 6.2</b>
Asahi Forest should explore arranging meetings/work sessions with the prior forest manager to allow for transformation of information to the new management team, which is needed to review the prior forest management and develop new forest management system.	
<b>Action Taken by Company / Auditor Comments:</b>	
GPS measurement was started. GIS was introduced in order to accumulate information on forest resource / forest management. On-the-job training program has not been considered. The REC continued.	
The 2008 surveillance audit: GIS has been put in place. It has been populated with all of operation history.	
A Practical Training Program for Business Transfer has been developed. At the time of takeover, GIS information is transferred first. For working skills, the main task in business transfer is conveyance of information, because overall operations are currently outsourced to the forest association and material producers.	
This REC continues since a comprehensive practical training program for business transfer is expected to be developed.	

<b>REC 2006.4</b>	<b>Reference: FSC P&amp;C 6.3</b>
Asahi should revise/expand/structure its monitoring program so that it is most useful and applicable to management of the forest. For example, some of the non-managed broadleaf areas are currently a priority and focus of monitoring, however, these provide useful information for	

only biodiversity, not for whole management of hinoki and sugi stands.

**Action Taken by Company / Auditor Comments:**

Fixed-point photographing (landscape-level) will be added in order to observe the growth and structural change of artificial forest. The REC continued.

The 2008 surveillance audit: Photos of the company-owned forests have been taken from a distance, and additional photography has been done as needed. Fixed-point photography has not been planned yet. Monitoring stands and locations should be identified, and changes in stand structures and landscapes should be captured with fixed-point photography.

This REC continues.

### 6.2.5 General Observation

Asahi Forest's operation is currently shifting towards improvement of productivity and ensuring of stable harvest in quest of better economic efficiency. It seeks low-cost thinning methods such as line thinning and thinning by girdling, given the continued lowering of log price and unstable conditions.

The volume of line thinning, in particular, has increased every year under cooperation with the contractors, and the amount of harvesting is increasing (7,977m<sup>3</sup> in 2007, 8,114m<sup>3</sup> in Jan-Aug 2008, and estimated 1,341m<sup>3</sup> in Aug-Dec). Given these trends, it is necessary to accumulate and examine the data and knowledge on harvesting volume, harvesting methods, and future accumulation of forest resources to prevent harvesting from exceeding the forests' growth and to facilitate healthy growth of residual forests.

In addition, Asahi continues to invest in forest management necessary for sustainability of the forest (such as tending, thinning, introduction of GPS and GIS) to prepare for future harvesting. There has been improvement on the utility of logs, with significant effort has been put to diversify the wood use from logs to foliage, as exemplified by the increased production of woodworks such as wooden tablets painted with a picture of a horse (approx. 100 thousand tablets, 60m<sup>3</sup>), penholders (approx. 19,500 sets, 30m<sup>3</sup>), billboards (approx. 1,000 sheets, 3m<sup>3</sup>), and dispensable chopsticks, and the current consideration of using offcuts to produce wooden boards. This has also played a significant role in terms of job creation in the region. There has not been a big change of policy in its environmental and social actions since the last year's annual audit. Many visitors continue to be accepted while a large number of social action programs have been carried out, including dialogues between companies and consumers, "Morinoko Juku (forest children's school)" classes, and contributions to lobby concerts. One staff is on loan to a group company, and currently there are three staff members.

### 6.2.6 New Corrective Action Requests and Recommendation

The following CARs and RECs were issued during 2008 annual surveillance audit.

**Background/Justification:** There was no record of an environmental impact assessment conducted.

**CAR 2008.1**

By the 2009 surveillance audit, Asahi Forest must prepare a recording format such as a checklist to maintain the results of environmental impact assessments and the measures

	taken to alleviate identified impacts.
<b>Deadline</b>	2009 annual surveillance audit.
<b>Reference</b>	FSC Criterion 6.1

**Background/Justification:** For HCVF, there are no explanation about the fact that the Fagus and Quercus forests are designated as HCVFs, no consultation with experts on HCVFs, and no plan of regular photography.

<b>CAR 2008.2</b>	By the 2009 surveillance audit, Asahi Forest must formally designate the Quercus and Fagus forests as HCVFs by: <ol style="list-style-type: none"> <li>1. Explaining on their website that the Quercus and Fagus forests are HCVF.</li> <li>2. Consulting external experts on these HCVFs and recording their comments.</li> <li>3. Preparing and implementing a plan for regular monitoring.</li> </ol>
<b>Deadline</b>	2009 annual surveillance audit
<b>Reference</b>	FSC Principle 9

**Background/Justification:** Contractors such as Togawa Mokuzai and the forest association do not use the safety equipment compliant with the ILO guidelines.

<b>CAR 2008.3</b>	By the 2009 surveillance audit, Asahi Forest must instruct staff and workers including those from the contractors to use the safety equipment compliant with the ILO guidelines, and verify their implementation and usability.
<b>Deadline</b>	2009 annual surveillance audit
<b>Reference</b>	FSC Indicator 4.2.3

**Background/Justification:** Harvesting-related procedures have been implemented, but some items are not stated in documents. Procedures/Guideline for Harvesting, and Rules for Maintenance and Management of Work Roads have been developed, but they lack in some aspects and are not adequate. There are documents such as Procedures on Usage of Logs, Minimizing Soil Erosion, Protection of Water Resources  
In any case, it is necessary to organize these procedures/guidelines, and ensure proper checking prior to and after the forest operations.  
Asahi conducted training to its staff while it has just requested Takemitsu Sangyo for training of the workers.

<b>CAR 2008.4</b>	By the 2009 surveillance audit, Asahi Forest must document a set of harvest related work instructions/guidelines for its staff and contract workers covering: <ul style="list-style-type: none"> <li>• Use of offcuts</li> <li>• For preservation of soil, unusable offcuts must be left on the forest floor or returned to the forest from the landing as much as possible.</li> <li>• minimizing damage to forest vegetation during harvesting (6.5.2)</li> <li>• road maintenance (6.5.6)</li> <li>• proper handling and disposal of liquid and solid non-organic waste (6.7)</li> <li>• measures to prevent and clean-up fuels wastes in the event of an accident (6.7)</li> </ul>
<b>Deadline</b>	2009 annual surveillance audit.
<b>Reference</b>	FSC Criterion 5.3, 6.3, 6.5, 6.7, 7.1, 7.3, 10.1, 10.2, 10.3

<b>Background/Justification:</b> The results of monitoring are being summarized but not yet compiled as an overview for publication	
<b>CAR 2008.5</b>	<b>By the 2009 audit, Asahi must</b> determine which part of the summarized monitoring results should be published, and prepare and publish the overview.
<b>Deadline</b>	2009 annual surveillance audit.
<b>Reference</b>	FSC Criterion 8.5

<b>Background/Justification:</b> It is necessary to observe the settlement of arboreous species in the buffer zones.	
<b>REC 2008.1</b>	Asahi Forest must monitor whether or not desired plant species are properly renewed in the clear-cut buffer zones.
<b>Reference</b>	FSC Criterion 8.5

<b>Background/Justification:</b> If a rare species is discovered, it is registered with GIS, but reports from external contractors or other stakeholders have not been recorded.	
<b>REC 2008.2</b>	Asahi Forest must build and implement a mechanism to register reports on rare species from external contractors or other stakeholders with GIS.
<b>Reference</b>	FSC Criterion 6.2

## **6.2.7 General Conclusion of 2008 Annual Surveillance Audit**

The SCS auditor team concludes that Asahi continues to be in adequate compliance with FSC Principles and Criteria, based on information that was gained from the on-site visit, interviews, and surveillance of documents. Therefore, continuation of certification, subject to progress on corrective actions, is recommended by the audit team.

## **6.3 2009 Annual Audit**

### **6.3.1 Assessment Dates**

The field portion of the audit was conducted on October 26 and 27, 2009, by a two person team. A total of four person-days were spent conducting the audit. An additional 3 person days were spent preparing and translating the report.

### **6.3.2 Assessment Personnel**

For this annual audit, the team was comprised of Mr. Shuhei Tomimura and Mr. Naoya Ogawa. Mr. Tomimura and Mr. Ogawa conducted the 2008 audit, thus providing for good continuity.

#### **Mr. Shuhei Tomimura, Forester:**

Mr. Tomimura is a professional consultant based in Tokyo, and representative of Tomimura Environment Research Office. His professional expertise is in the areas of forest ecology, forest conservation and engineering in the forestry domain. He received his forestry training and diploma from the Forestry Faculty of Kyoto Prefectural University. He also studied forest ecology at the National Forest Research Center of France. Prior to establishing his own consultancy, Mr. Tomimura was employed for 23 years by Asia Air Survey Co., Ltd.. During this time, he acquired extensive international forestry experience in countries such as Morocco, Ivory Coast, Paraguay and Europe. He has also served as a Lecturer in the Ecology Faculty at Toyo Engineering College. He holds a title of Professional Engineer (Forest).

#### **Naoya Ogawa, AMITA Program Manager**

Mr. Ogawa participated in many FSC certification audits in Japan as a supporter. Mr. Ogawa is employed by AMITA Corporation and is the program coordinator for AMITA Corporation's Forest Certification Program. He majored in forest science and holds a M.S. in agriculture studies from the University of Tokyo, Japan.

### **6.3.3 Assessment Process**

The scope of the 2009 annual audit, as with all annual audits, included: document review, field and office assessments, and staff interviews. The site visit of the 2009 surveillance audit was conducted October 26 and 27, 2009. Personnel participating in the audit included: Mr. Yoichiro Matsuoka, Mr. Sigetaka Nakamura, Mr. Yoshitaka Miyoshi, and Mr. Kazuo Tamori.

#### **Day 1:**

**A,M,**

#### **Office Interviews and Document Review**

- Review the status of CARs and Recommendations

## Field Surveillance

### Stop 1: Tawarabara-yama

- Check on vegetation restoration in the clear-cut areas to create buffer zones. Advancement of more than 10 of arboreous species was observed.
- 5.44 ha of hinoki forest was designated as 'Forest for Cultural Assets.' Line thinning was conducted five years ago. Their tree crowns which were opened in lines are closing and understory vegetation has been restored. However density control of the retained forest is needed to be devised. Currently about 50 years old. It will be grown until 200 years old.

### Stop 2: Kounomura-yama

- Check on the situation after thinning by girdling was conducted. Tree crowns are closing,
- Broadleaf trees were planted by the activity of 'All Nippon Airline's forest' and other activities by people.
- Line thinning was conducted four years ago.

P.M.

### Stop 3: Miyoshi Social Working Center for Handicapped People (a processing contractor)

- Interview as to processing of FSC certified lumber.
- Check on delivery notes to forward the lumber to next processing
- Check on the workplaces.

### Stop 4: North Hiroshima Prefecture Domestic Wood Processing Cooperative (a processing contractor)

- Interview as to processing of FSC certified lumber.
- Check on the storage of logs.
- Check on invoices from Asahi Forest and delivery notes issued to Miyoshi, a social working center for handicapped people.
- Order from Asahi Beer was increasing.

### Stop 5: Akamatsu-yama

- Check on the conservation status of abemaki (*Quercus variabilis*) forests. A monitoring survey of flora and fauna was conducted by outsourced specialists. Growth and regeneration of abemaki was observed, and it was confirmed that the forests is becoming natural.

Day 2:

A.M.

### Stop 1: Kurokuchi-yama

- Interview to Mr. Togawa, president of Togawa Mokuzai, a contracted harvester, about working conditions, sales, and safety measures.
- Check on harvesting works (harvester and forwarder, operation by workers, forest road conditions, etc.)

### Stop 2: Todani-yama

- Hinoki forest where line-thinning (2 lines cut and 4 lines retained) was conducted last year
- It will take some years for the forest to recover.

P.M.

## Office Interviews and Document Review

- Update on Asahi’s personnel and management system
- Review of CAR/Rec’s status

#### **Auditors’ Synthesis and Closing Meeting**

- Team discussion on results of surveillance and CARs
- Presentation and exit interview

### **6.3.4 Status of Corrective Action Requests and Recommendations**

As a result of the 2009 annual audit, the status of CAR and Recommendations is described below.

<b>CAR 2008.1 (minor)</b>	<b>Reference: FSC Indicator 6.1.a</b>
By the 2009 surveillance audit, Asahi Forest must prepare a recording format such as a checklist to maintain the results of environmental impact assessments and the measures taken to alleviate identified impacts.	
<b>Action Taken by Company / Auditor Comments:</b>	
“Monitoring Checklist” is made. Diseases, pests, climate damage, vegetation, erosion, soil flowage, etc. are checked before and after operation. When there is an influence on any aspects, measures are taken. Although the system has been made, an environmental impact assessment has not been conducted and environmental measures have been not enough. Therefore the CAR is raised to Major.	
<b>Position in the end of this audit: CAR raised to Major CAR 2009.1</b>	

<b>CAR 2008.2 (minor)</b>	<b>Reference: FSC Indicator 9.1.a</b>
By the 2009 surveillance audit, Asahi Forest must formally designate the Quercus and Fagus forests as HCVPs by:	
<ol style="list-style-type: none"> <li>4. Explaining on their website that the Quercus and Fagus forests are HCVP.</li> <li>5. Consulting external experts on these HCVPs and recording their comments.</li> <li>6. Preparing and implementing a plan for regular monitoring.</li> </ol>	
<b>Action Taken by Company / Auditor Comments:</b>	
<p>The company has requested Mr. Ohta (Representative of Forest Stewardship Alliance of Japan) to visit and observe the <i>Quercus variabilis</i> forest and <i>Fagus crenata</i> forest and heard his opinion. As a result the both forests are recognized as HCVPs. Status and opinions about these forests are posted on the web site. (<a href="http://www.asahibeer.co.jp/asahi_forest/mount/tour/">http://www.asahibeer.co.jp/asahi_forest/mount/tour/</a>)</p> <p>In <i>Quercus variabilis</i> forest, detailed investigation on living things were outsourced to specialty company this year. The same investigation was conducted in 2002 and the results were compared. There is a monitoring plan for fixed position photograph in <i>Fagus crenata</i> forest as well.</p>	

**Position in the end of this audit: CAR closed**

**CAR 2008.3 (minor)** | **Reference: FSC Indicator 4.2.c**

By the 2009 surveillance audit, Asahi Forest must instruct staff and workers including those from the contractors to use the safety equipment compliant with the ILO guidelines, and verify their implementation and usability.

**Action Taken by Company / Auditor Comments:**

A list of necessary safety equipments was made. The company is instructing workers of Togawa Mokuzai Co., Ltd who is contracted to do the thinning operation. Person in charge in Togawa Mokuzai Co., Ltd was interviewed during the surveillance and improvements of safety equipments were in progress. At the moment, vibration-proofing gloves and ear muffs are not used but other safety equipments are all used. Thus- CAR 2008.3 must be elevated to a Major CAR.

**Position in the end of this audit: CAR raised to Major CAR 2009.2**

**CAR 2008.4 (minor)** | **Reference: FSC Criterion 5.3, 6.3, 6.5, 6.7, 7.1, 7.3, 10.1, 10.2, 10.3**

By the 2009 surveillance audit, Asahi Forest must document a set of harvest related work instructions/guidelines for its staff and contract workers covering:

- Use of offcuts
- For preservation of soil, usable offcuts must be left on the forest floor or returned to the forest from the landing as much as possible.
- minimizing damage to forest vegetation during harvesting (6.5.2)
- road maintenance (6.5.6)
- proper handling and disposal of liquid and solid non-organic waste (6.7)
- measures to prevent and clean-up fuels wastes in the event of an accident (6.7)

**Action Taken by Company / Auditor Comments:**

Procedures and guidelines are made/revised for all aspects.  
Minimization of wood waste, environmental policy, forest road maintenance and management regulations, procedure for treatment of fuel and wastes

**Position in the end of this audit: CAR closed**

**CAR 2008.5 (minor)** | **Reference: FSC Indicator 8.5.a**

By the 2009 audit, Asahi must determine which part of the summarized monitoring results should be published, and prepare and publish the overview.

**Action Taken by Company / Auditor Comments:**

Investigation results on living things in *Quercus variabilis* forest in 2002 and 2009 were

compared and changes were summarized and about to be published on web page. However, as mentioned in FSC Criterion 8.4, following items of monitoring results mentioned in FSC Criterion 8.2 are required to be published. a) Yield of all forest products harvested. b) Growth rates, regeneration and condition of the forest. c) Composition and observed changes in the flora and fauna. d) Environmental and social impacts of harvesting and other operations. e) Costs, productivity, and efficiency of forest management. Therefore, items a), d) and e) should be published, although it will take long time to recognize forest growth and change of species composition of plants and animals. This CAR is raised to Major.

**Position in the end of this audit: CAR raised to Major CAR 2009.3**

**REC 2008.1**

**Reference: FSC Indicator 8.5.b**

Asahi Forest must monitor whether or not desired plant species are properly renewed in the clear-cut buffer zones.

**Action Taken by Company / Auditor Comments:**

Monitoring is continuously done. So far more than 10 woody species have been observed and renewal of plant species is steadily in progress. However, climbing plants have also been observed and so continuous monitoring for checking the invasion and establishment of woody plants needs to be done.

**Position in the end of this audit: REC continued**

**REC 2008.2**

**Reference: FSC Indicator 6.2.e**

Asahi Forest must build and implement a mechanism to register reports on rare species from external contractors or other stakeholders with GIS.

**Action Taken by Company / Auditor Comments:**

There has been no improvement on this. Recommendation is kept open. Because special knowledge is needed to identify rare species, it is practical to start from identification of species of top of food chain (e.g. birds of prey) and to develop the effort gradually.

**Position in the end of this audit: REC continued**

**REC 2006.3**

**Reference: FSC Indicator 7.3.a**

Asahi Forest should explore arranging meetings/work sessions with the prior forest manager to allow for transformation of information to the new management team, which is needed to review the prior forest management and develop new forest management system.

**Action Taken by Company / Auditor Comments:**

GPS measurement was started. GIS was introduced in order to accumulate information on forest resource / forest management. On-the-job training program has not been considered. The REC continued.

The 2008 surveillance audit: GIS has been put in place. It has been populated with all of operation history.  
 A Practical Training Program for Business Transfer has been developed. At the time of takeover, GIS information is transferred first. For working skills, the main task in business transfer is conveyance of information, because overall operations are currently outsourced to the forest association and material producers.  
 This REC continues since a comprehensive practical training program for business transfer is expected to be developed.

The 2009 surveillance audit: From October 2009, the head of Asahi Corporate forest has changed from Mr. Nakamura to Mr. Matsuoka. Mr. Nakamura now became an instructor. Information of the forest is recorded in GIS and so it is easy to take over the information. It is necessary to inherit knowledge and experience from Mr. Nakamura to Mr. Matsuoka on total management of Asahi corporate forest including management policy, management method and consultation with people outside the company. The training program for this is needed to be made and so the recommendation is still open.

**Position in the end of this audit: REC continued**

<b>REC 2006.4</b>	<b>Reference: FSC Indicator 8.1.a</b>
<p>Asahi should revise/expand/structure its monitoring program so that it is most useful and applicable to management of the forest. For example, some of the non-managed broadleaf areas are currently a priority and focus of monitoring, however, these provide useful information for only biodiversity, not for whole management of hinoki and sugi stands.</p>	
<p><b>Action Taken by Company / Auditor Comments:</b></p>	
<p>Fixed-point photographing (landscape-level) will be added in order to observe the growth and structural change of artificial forest. The REC continued.</p> <p>The 2008 surveillance audit: Photos of the company-owned forests have been taken from a distance, and additional photography has been done as needed. Fixed-point photography has not been planned yet. Monitoring stands and locations should be identified, and changes in stand structures and landscapes should be captured with fixed-point photography.          This REC continues.</p> <p>The 2009 surveillance audit: Monitoring on forest growth and vegetation restoration after line thinning, photo taking of the whole corporate forest and monitoring on forest structure and landscape are done. It is recommended to continue the effort but these monitoring systems have been established in the company and so this recommendation is closed.</p>	
<p><b>Position in the end of this audit: REC Closed</b></p>	

### 6.3.5 General Observation

Asahi Forest's operation is currently shifting towards improvement of productivity and ensuring of stable harvest in quest of better economic efficiency. It seeks low-cost thinning methods such as line thinning and thinning by girdling, given the continued lowering of log price and unstable conditions.

The volume of line thinning has increased every year under cooperation with the contractors, and the amount of harvesting is increasing (4,159m<sup>3</sup> in 2006, 7,977m<sup>3</sup> in 2007, 9,166m<sup>3</sup> in 2008, and estimated 8,000m<sup>3</sup> in 2009). Given these trends, from the viewpoint of long-term use of resources, it is necessary to accumulate and examine the data and knowledge on harvesting volume, harvesting methods, and future composition and accumulation of forest resources to prevent harvesting from exceeding the forests' growth and to facilitate healthy growth of residual forests to achieve aimed harvesting level in the future. In addition, Asahi continues to invest in forest management necessary for sustainability of the forest (such as tending, thinning, introduction of GPS and GIS) to prepare for future harvesting. There has been improvement on the utility of logs, with significant effort has been put to diversify the wood use from logs to foliage, as exemplified by the increased production of woodworks such as desk stationeries used as promotional materials at their own beer factories, in addition to wooden tablets painted with a picture of a horse, penholders, billboards and dispensable chopsticks, and the current consideration of using offcuts in forest to produce wooden boards and wooden pellets. This has also played a significant role in terms of job creation in the region. Although there has not been a big change of policy in its environmental and social actions since the last year's annual audit, Asahi forest's action is spreading from local to whole country. Many visitors continue to be accepted while a large number of social action programs have been carried out, including dialogues between companies and consumers, "Morinoko Juku (forest children's school)" classes, and contributions to lobby concerts. One staff was retired and the manager was changed to Mr. Matsuoka from Mr. Nakamura. Mr. Nakamura continues to work as assistant. One staff came back to Asahi Forest from a group company. Therefore there are four staff members currently.

### 6.3.6 New Corrective Action Requests and Recommendation

The following REC was issued during 2009 annual surveillance audit.

<b>Non-conformance: Asahi has not adequately addressed CAR 2008.1.</b>	
<b>Major CAR 2009.1</b>	Asahi must implement its approach for environmental impact assessments.
<b>Deadline</b>	3 months following the finalization of 2009 report
<b>Reference</b>	FSC Indicator 6.1.a

<b>Non-conformance: Asahi has not adequately addressed CAR 2008.3</b>	
<b>Major CAR 2009.2</b>	Asahi must ensure that all required safety equipment by ILO is being used on a consistent basis by staff and contractors.
<b>Deadline</b>	3 months following the finalization of 2009 report
<b>Reference</b>	FSC Indicator 4.2.c

<b>Non-conformance: Asahi has not adequately addressed CAR 2008.5.</b>	
<b>Major CAR 2009.3</b>	Asahi must produce a public summary of monitoring results that covers topics a-e of Criterion 8.2.
<b>Deadline</b>	3 months following the finalization of 2009 report
<b>Reference</b>	FSC Indicator 8.5.a

<b>Background/Justification:</b> As the production volume is increasing, the amount of documents is also increasing. Input, processing and output documents in outsourced facilities are stored but not well organized so that it took time to check the consistency of input, output and inventory volume.	
<b>REC 2009.1</b>	The company should organize amount in input, processing, output documents in outsourced facilities so that the company can readily figure out amount of input, processed, output and inventory.
<b>Reference</b>	FSC Criterion 8.3

<b>Background/Justification:</b> Line thinning is continued with constructing work roads. Then production volume increase dramatically. However, because there is no accurate date on forest growth, allowable annual harvest volume is unclear and there is concern about over-harvesting. It is needed to consider this from a point of mid-term view by controlling harvesting volume of certain period, e.g. five years, not exceeding growth volume.	
<b>REC 2009.2</b>	Asahi should understand precise annual growth volume by using record of operations and forest stand survey prior to operations.
<b>Reference</b>	FSC Criterion 5.6

### **6.3.7 General Conclusion of 2009 Annual Surveillance Audit**

The SCS auditor team concludes that Asahi continues to be in adequate compliance with FSC Principles and Criteria, based on information that was gained from the on-site visit, interviews, and surveillance of documents. Therefore, continuation of certification, subject to progress on corrective actions, is recommended by the audit team.

## **7.0 SUMMARY OF SCS COMPLAINT INVESTIGATION PROCEDURE**

The following is a summary of the SCS Complaint Investigation Procedure, the full version of the procedure is available from SCS upon request. The SCS Complaint Investigation Procedure is designed for and available to any individual or organization that perceives a stake in the affairs of the SCS Forest Conservation Program and that/who has reason to question either the actions of SCS itself or the actions of a SCS certificate holder.

The SCS Complaint Investigation Procedure is a first-stage forum and mechanism for hopefully resolving issues, thereby avoiding the need to involve the FSC. A complaint may come from either clients (e.g., forestland owner, mill owners, manufacturer or retailer, brokers) or from other parties such as interested stakeholders. To have standing under this Procedure, complaints must be in writing, accompanied by supporting evidence, and submitted within 30 days of the date in which the action triggering the complaint occurred.

The written complaint must:

- Identify and provide contact information for the complainant
- Clearly identify the aggrieved action (date, place, nature of action) and which parties or individuals are associated with the action
- Explain how the action is alleged to violate a FSC requirement, being as specific as possible with respect to the applicable FSC requirement
- In the case of complaints against the actions of a certificate holder, rather than SCS itself, the complainant must also describe efforts taken to resolve the matter directly with the certificate holder
- Propose what actions would, in the opinion of the complainant, rectify the matter.

Written complaints should be submitted to:

Dr. Robert J. Hrubes  
Senior Vice-President  
Scientific Certification Systems  
2000 Powell Street, Suite 1350  
Emeryville, California, USA94608  
Email: [rhrubes@scscertified.com](mailto:rhrubes@scscertified.com)

As detailed in the *SCS-FCP Certification Manual*, investigation of the complaint will be confidentially conducted in a timely manner. As appropriate, corrective and preventive action and resolution of any deficiencies found in products or services shall be taken and documented.

