



Fiji Pine Group has leases for 83545.71Ha of Pine trees

Fiji Pine Group also holds Forest Stewardship Council (FSC) certification.

Fiji Pine Group now wants to use wood from landowners but it is not able to include this in its FSC certified system. This is because it did not plant the trees and does not own them.

FSC allows companies to buy trees from other landowners. It can then harvest them as what is called "controlled wood".

Controlled wood can then be used under a company's FSC certificate BUT it is not FSC certified. A company can mix it with FSC-certified wood – but no more than 30 percent of the mix can be controlled wood.

There are also strict rules for using controlled wood with FSC-certified wood. A risk assessment must be carried out. Here is what the risk assessment will check.

1. The controlled wood must not be illegally harvested
2. It must not come from forestry areas where wood has been harvested in a way that violates traditional and human rights.
3. It must not come from forest where high conservation values are threatened by management activities.
4. It must not come from native forests that are being cleared for plantations or non-forest use
5. It must not come from genetically modified trees

The risk assessment is our first task. We then develop a due diligence system. This will be audited.

#### **Actions for today's meeting:**

Fiji Pine Group would now like to consult you about the risk assessment

Risk assessment has very strict rules. There are only two possible conclusions to a risk assessment.

1. The conclusion must be low risk unless low risk cannot be determined.
2. If low risk cannot be determined the conclusion must be what is called specified risk.

When the conclusion is specified risk then the company must carry out what are called control measures. These will address the problem and make the risk low again.

We must make it clear that our risk assessment is only for pine plantation forest on the islands of Viti Levu and Vanua Levu. This is important. There may be some examples that are not low risk in other forms of forestry but are low risk in pine plantations.

For example, there is evidence of illegal logging in some native forests. Plantation forests have a strict license system for forestry. Plantation is therefore low risk for illegal logging.

Every time we look at the categories, risks and control measures we need to consider we will ask you the following questions:

**We offer an assessment for low risk. Do you agree with our assessment?**

**Do you think it's not low risk? Why?**

**We offer an assessment for specified risk. Do you agree with our assessment?**

**If you do agree with our assessment, we offer control measures. Do you agree that the control measures we suggest will manage that specified risk?**

Here are some simple examples of low risk

<p>Category 5 Trees from genetically modified materials</p>	<p>We think this is an example of low risk.</p> <p>This is because there are no genetically modified organism (GMO) trees in Fiji. There have been trials of some species of GMO plantation trees in other countries. The pines used in Fiji plantations are not one of those species.</p>	<p>Agree/Disagree</p>
<p>Category 4 Wood from Conversion Sources.</p>	<p>We think this is an example of low risk.</p> <p>This is because the wood involved would need to be wood converted from native forests.</p> <p>We are only dealing with plantations forests – not native forests.</p>	<p>Agree/Disagree</p>

Our third risk assessment example referred to wood from forests where high conservation values (HCVs) are threatened by management activities. HCVs are biological, ecological, social or cultural values considered outstandingly significant at the national, regional or global level. This can be a major issue. However, assessing it is fairly straightforward.

High conservation values are in six classes.

1. Areas with rare plants and animals
2. Areas with large native forests
3. Areas with rare ecosystems
4. Areas with risks of erosion and risks to water courses. Areas where damage to water catchments could take place. Areas where fire is a risk. Areas with steep slopes.

5. Areas where communities rely on forests for fundamental needs such as growing and hunting food, wood for houses or fresh clean water.
6. Areas with historical importance or with indigenous cultural or spiritual heritage.

Here is what a risk assessment might look like where HCVs are involved.

<p>Category 3.0</p> <p>Is there enough data to determine the presence of high conservation values?</p>	<p>We think this is an example of specified risk.</p> <p>This is because there is not enough reliable data to determine the presence of all HCV classes in Fiji. Because of this, for all HCV classes, we think specified risk must apply.</p>	<p>Agree/Disagree</p>
<p>We now look at HCV in more detail, addressing classes 1- 6</p> <p>HCV 1- 6 is as follows</p> <p>HCV 1 Areas with rare plants and animals</p> <p>HCV 2 Areas with large area of native forests</p> <p>HCV 3 Areas with rare ecosystems</p> <p>HCV 4 Areas with risks of erosion, steep slopes, fire and damage to water catchments.</p> <p>HCV 5 Areas where local people rely on the forest for basic needs – for example hunting, food gathering, fresh water, firewood, building materials.</p> <p>HVC 6 Areas with special cultural heritage, spiritual or historical significance.</p>	<p>We think this is an example of specified risk for all six classes.</p> <p>This is because our category 3.0 assessment determined that there is not enough data for some HCV classes. Even though this is not true for all the classes, we must apply specified risk across the board for all six HCV classes.</p>	<p>Agree/Disagree</p>
<p>Control measures for HCV 1-6</p>	<p>For controlled wood from other landowners Tropik wood must do the harvest planning and use its own harvest crew.</p> <p>Tropik wood must use the same HCV management system for controlled wood that it uses for its own FSC-certified plantations. This system must be independently audited to</p>	

	<p>prove that it meets FSC forest management standards for Principle 9 HCV.</p> <p>9.1.1. The FME shall conduct an evaluation to identify high conservation values (HCV) attributes present in the forest management Units (FMU). This evaluation, at a minimum, must include:</p> <ol style="list-style-type: none"> <li>1. Consultation of regional or national conservation databases and maps</li> <li>2. Consultation of the national HCVF toolkit, if it exists, or the first and third parts of the international toolkit for HCV presence (see HCVF Toolkit by WWF)<sup>1</sup></li> <li>3. Consideration of forest inventory data and observations from field workers, contractors or consultants of the FME</li> <li>4. Interviews with biologist and scientific experts, local communities, and other stakeholders</li> <li>5. Identification and documentation of possible threats to HCVs</li> </ol> <p>9.1.2. The forest management enterprise (FME) now has a number of obligations. Firstly it must provide a written evaluation for HCVs. This evaluation must include the elements we discussed in 9.1.1 (above). It must also include proposals to protect these HCVs. Secondly it must provide a technical explanation for the</p>	
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	<p>HCVs identified. It must also provide a technical explanation for the recommendations it suggests for the protection of these attributes.</p> <p>Finally it must demonstrate that actions are being taken to protect HCVs or reduce threats to HCVs that stem from the FME's management activities.</p> <p>9.1.3. The FME now has to consult environmental stakeholders, databases, government officials or researchers to identify HCVs. If the FME identifies any HVCs that it thinks are present, it has to take all reasonable action to protect these HVCs and/or reduce threats to them.</p> <p>9.1.4. Next the FME needs to consult the national or regional HCVF toolkit – if it exists. It also needs to look at any other relevant regional information that will help it to identify potential HCVs. If there is not a national or regional toolkit, the FME should consult the first and third parts of the international toolkit for HCV presence (see footnote for large FMEs at 9.1.1).</p> <p>C9.2. This brings us to what is called the consultative portion of the certification process. This focuses on the identified conservation attributes. It must look at options for the maintenance of these identified conservation attributes.</p> <p>C9.3. There also needs to be</p>	
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	<p>a management plan. This has to include specific measures to make sure that the conservation measures being looked at are kept up or even enhanced.</p> <p>It also needs to ensure that these measures are carried out. It must be publicly available.</p> <p>For easy reference a management plan summary must also be supplied that contains these measures.</p> <p>To work out what measures need to be looked at, you will need to use what is called the precautionary approach. This means if you can't guarantee protection in an area you can't operate forestry in that area.</p> <p>C9.4. This work needs to be checked regularly. We recommend annual monitoring to assess how well the conservation measures decided on are actually working.</p> <p>Refer: The HCVF Management Plan for Fiji Pine Limited 2021</p> <p>Process Steps :</p> <p>Step 1 – Identifying HCVF sites</p> <p>When an unidentified high conservation v site is found in the Fiji Pine Forest Management Unit, there is an immediate sign-in of site captured as well as a new identification tag/label is prescribed to the site(Example: VI 62 – whereby VI signifies the Viti Levu Island on which it</p>	
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	<p>is found , or VA – is the reference label for Vanua Levu,the number is the numerical sequence given to the site ).(WL – Signifies the woodlot stand)</p> <p>There is an immediate call to notify Wood Supply coordinators and Environment Unit Staff to carry out on-site assessment. A field demarcation is immediately carried out to quadrant off the site for protection purposes. GPS equipment is used to mark these sites with the GIS Department.</p> <p>Step 2 – Verification and Documentation of HCVF Sites</p> <p>A detailed site inspection report is carried out to compliment the identification of the new hcvf site. This is further completed in the creation of a seamless GIS layer of HCVF sites and updated accordingly with existing ones. A local expatriate/ consultant in ecology are independently hired for this assessment and verifications.</p> <p>Step 3 - Utilisation of Demarcated Areas</p> <p>The seamless GIS layer of the HCVF sites is further overlaid with operation maps(that is Wood Supply Harvesting Maps) on a daily basis by Planning Officers to use as precaution before and after operation to enable minimum/no exposure of disturbance to be done on and around the established site.</p> <p>Step 4 –Community</p>	
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	<p>Consultation After preparation of HCVF documents are done, an intensive community consultation is carried out to all resource stakeholders to inform and to educate about the existence of these sites in and around their locality, as well as collaboration in protective actions.</p> <p>Step 5 - Record Completed documentation of consultation is filed and kept for safe-keeping and given as and when required or requested.</p> <p>Review of the existing established sites and new sites are done on annually with updating of the map layers and records.</p> <p>Responsibility: All FPL staffs are to take on full responsibility of protection of these sites however, recording and establishment is done by Environment and Research Department of FPL.</p>	
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Category 2 Wood harvested in violation of traditional and human rights.

This is slightly more complex.

<p>2.1 First we need to know that the forest sector is not associated with violent armed conflict. Anything that threatens national or regional security or is linked to military control needs to be examined.</p>	<p>We think this is an example of low risk.</p> <p>This is because there is no armed conflict in Fiji and no armed conflict associated with plantation forestry in Fiji.</p>	<p>Agree/Disagree</p>
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<p>2.2 We need to make sure that labour rights are upheld. This includes rights you will find in the ILO list of Fundamental Principles and Rights at Work.</p>	<p>We think this is an example of specified risk.</p> <p>That means that we agree most labour rights are upheld, but we are aware there have been issues with union rights in forestry. There have also been issues with gender equality in many industries. Low risk cannot be demonstrated.</p>	<p>Agree/Disagree</p>
<p>Control Measures for 2.2</p>	<p>Control Measures.</p> <p>There must be a system that is independently audited that meets the requirements of Principle 4 of the FSC standards covers workers rights and equality.</p> <p>This principle must be followed. It must be reflected in company policies and systems. It must also be independently audited for compliance to FSC Principle 4. (see below)</p> <p>4.3.1. All workers shall be able to form and/or join a trade union of their choice without fear of intimidation or reprisal. This will at a minimum comply with ILO Convention No. 87, where applicable.</p> <p>4.1.4. FME shall implement policies and procedures to make qualifications, skills, and experience the basis for recruitment, placement, training and advancement of staff at all levels.</p> <p>There must be no evidence of discrimination based on race, colour, ethnicity, culture, gender, age, religion, political opinion, nationality or social</p>	<p>Agree Disagree</p>

	<p>origin</p> <p>Please refer to Group HR Policy &amp; Procedure 2020</p> <p>Conformance: Pages 41 – 159</p>	
<p>2.3 We need to make sure that the rights of indigenous and traditional peoples are upheld.</p>	<p>We think this is an example of low risk.</p> <p>This is because most of the land used in plantation forestry is owned by indigenous Fijians or the government. Indigenous land rights have been protected under the constitution.</p> <p>Indigenous land in Fiji is classed as iTaukei land. Special rules apply in relation to dealings in iTaukei land. These aim to protect the land rights of indigenous Fijians.</p>	<p>Agree/Disagree</p>

#### Category 1 Legal Rights to Harvest.

This is more complex. It is split into 21 sections: Not applicable (and therefore low risk), Low risk, or specified risk.

We'll look at some low-risk examples first.

<p>1.1 Land tenure and management rights are very important. We need to look at legislation covering land tenure rights. This could include customary rights as well as management rights.</p>	<p>We think this is an example of low risk.</p> <p>This is because most land in Fiji (87%) is indigenous owned or government land.</p> <p>Management rights are controlled by the iTaukei Land Trust Board which legally controls indigenous lands</p> <p>Most plantation are on iTaukei Land</p>	<p>Agree/Disagree</p>
<p>1.2 Next we have to look at concession licenses. Here we need to examine the legal ways people and companies can obtain concession licenses to do plantation forestry in an area.</p>	<p>We think this is an example of low risk.</p> <p>This is because for plantations established legally in Fiji there will be at least two legal proofs. One is the legal copy of the "Instrument of Tenancy" Agricultural Landlord and Tenant Act issued by iTLTB to FPL on behalf of the landowning units. It includes a lot description, as well as province and area in hectares. The iTLTB Reference</p>	<p>Agree/Disagree</p>

	<p>number will be relevant here. The other legal proof is the lease agreements.</p>	
<p>1.3 We also need to examine the legal side of management and harvesting planning. That means we need to look at the legal requirements for management planning, including conducting forest inventories, and having a forest management plan.</p>	<p>We think this is an example of low risk</p> <p>This is because the Fiji harvest code of practice is a legislated instrument. Management planning is required, including conducting forest inventories.</p>	Agree/Disagree
<p>1.4 Harvesting permits are another important consideration</p>	<p>We think this is an example of low risk.</p> <p>This is because harvest management plan approval is under the Fiji Forest Harvesting Code of Practice. The plan is approved by license procedures managed by the Forestry Department.</p>	Agree/Disagree
<p>1.5 Legal rights also include payment of royalties and harvesting fees. We need to look at legislation covering payment of all legally required fees that are specific to forest harvesting.</p>	<p>We think this is an example of low risk.</p> <p>This is because most land used for plantations is iTaukei land. iTLTB is the authorizing body that looks after the welfare of indigenous peoples' rights. All payments and special fees are paid through iTLTB.</p>	Agree/Disagree
<p>1.6 The next focus is value added taxes and other sales taxes. We need to examine legislation covering different types of sales taxes.</p>	<p>We think this is an example of low risk.</p> <p>This is because most land used for pine plantations is iTaukei land. iTLTB is the authorizing body that looks after the welfare of indigenous peoples rights. All payments and special fees are paid through iTLTB.</p>	Agree/Disagree
<p>1.7 Another important legal consideration relates to legislation covering income and profit taxes. If they are related to profit derived from the sale of forest products and harvesting activities, we need to know the risk level.</p>	<p>We think this is an example of low risk.</p> <p>This is because Fiji Revenue and Customs Authority looks after the compliance and collects taxes and duties on behalf of government. It says it aims to provide quality advice on tax and customs matters to all its stakeholders. It also aims to facilitate trade and travel and to protect the country's borders.</p> <p>However, there are some concerns about non-payment of taxes. These are mainly focused on the native logging sector.</p>	Agree/Disagree
<p>1.8 Timber harvesting</p>	<p>We think this is an example of low risk.</p>	Agree/Disagree

<p>regulations are, of course, very important  Here we are talking about any legal requirements for harvesting techniques and technology. This includes selective cutting, shelter wood regenerations, clear felling, transport of timber from the felling site and seasonal limitations, to name only a few. The regulations we consider usually include regulations on the size of felling areas, minimum age and/or diameter for felling activities, and elements that must be preserved during felling and similar activities. We would also look at the establishment of skidding or hauling trails, road construction, drainage systems and bridges, as well as the planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices will also be considered. (3.1)</p>	<p>This is because the Forestry Department issues a harvesting rights license. The code of harvest practice must be used.</p>	
<p>1.9 Protected sites and species are a central concern for modern forestry. Here we need to consider international, national, and sub-national treaties, laws and regulations related to protected areas, allowable forest uses and activities, and/or rare, threatened, or endangered species, including their habitats and potential habitats.</p>	<p>We think this is an example of specified risk.</p> <p>It's true that the Environment Management Act 2005 outlines regulated processes for environmental risk assessment and permits – but it is not specific to forestry.</p> <p>It's also true that the Fiji National Biodiversity Strategy and Action Plan outlines strategies for general protection of biodiversity. Again, however, it is not specific to forestry.</p> <p>It's also important to note that there is generally not enough data to determine the presence of rare, threatened and endangered species.</p>	<p>Agree/Disagree</p>
<p>1.10 Environmental requirements, inevitably, will need checking. And the list is a long one. Here we consider national and sub-national laws and</p>	<p>We think this is an example of low risk.</p> <p>This is because under the Forestry Decree 1992 protected sites are preserved. The Forestry Department is the authorizing body.</p>	<p>Agree/Disagree</p>

<p>regulations related to the identification and/or protection of environmental values. These include – but are not limited to – laws and regulations relating to or affected by a long list of factors. These factors are</p> <ul style="list-style-type: none"> <li>• harvesting acceptable levels for soil damage</li> <li>• establishment of buffer zones (e.g., along water courses, open areas and breeding sites)</li> <li>• maintenance of retention trees on the felling site</li> <li>• seasonal limitations of harvesting time</li> <li>• environmental requirements for forest machineries</li> <li>• use of pesticides and other chemicals</li> <li>• biodiversity conservation</li> <li>• air quality</li> <li>• protection and restoration of water quality</li> <li>• operation of recreational equipment</li> <li>• development of non-forestry infrastructure</li> <li>• mineral exploration and extraction (3.3)</li> </ul>	<p>The environmental requirements are stipulated in the Forest Harvest Code of pPractice for soil damage, establishment of buffer zones (such as along water courses, open areas and breeding sites), and maintenance of retention trees on the felling site</p>	
<p>1.11 Health and safety.  <i>This section looks at legally required personal protection equipment for persons involved in harvesting activities, implementation of safe felling and transport practices, and establishment of protection zones around harvesting sites. It also looks at safety requirements for machinery used, and legally required safety requirements in relation to chemical usage. In other words, any health and safety requirements relevant to operations in the forest will be</i></p>	<p>We think this is an example of low risk.</p> <p>This is because the Occupational Health and Safety Act 1996 outlines the general requirements. The system seems robust. There is evidence that it has key support from the Fiji trade unions</p>	<p>Agree/Disagree</p>

<p><i>considered here.</i></p>		
<p>1.12 Finally, there's a focus on legal employment. Here we look at legal requirements for employment of personnel involved in harvesting activities</p>	<p>We think this is an example of specified risk</p> <p>It's true that legal employment is regulated by the Employment Relations Act 2006. There have also been a number of later amendments, in particular the Employment Relations Promulgation Act 2007</p> <p>Also, a number of independent NGOs have noted that Fiji is making amendments to legislation to improve workers' rights and employment conditions</p> <p>However, there is no consensus on discrimination in Fiji especially regarding gender equality.</p> <p>Also, in the recent past there have been complaints in the Plantation Forestry sector about freedom of association.</p>	
	<p>Control Measures.</p> <p>There must be a system that is independently audited that meets the requirements of Principle 4 of the FSC standards covers workers rights and equality.</p> <p>This principle must be followed. It must be reflected in company policies and systems. It must also be independently audited for compliance to FSC Principle 4. (see below)</p> <p>4.3.1. All workers shall be able to form and/or join a trade union of their choice without fear of intimidation or reprisal. This will at a minimum comply with ILO Convention No. 87, where applicable.</p> <p>4.1.4. FME shall implement policies and procedures to make qualifications, skills, and experience the basis for recruitment, placement, training and advancement of staff at all levels.</p> <p>There must be no evidence of discrimination based on race, colour, ethnicity, culture, gender, age, religion, political opinion, nationality or social origin</p> <p>Please refer to Group HR Policy &amp; Procedure 2020</p>	<p>Agree/Disagree</p>

	Conformance: Pages 41 – 159	
<p>1.13 Customary rights – that is, rights that are acquired over time by custom</p> <p><i>Here we look at legislation covering customary rights relevant to forest harvesting activities, including requirements covering the sharing of benefits and indigenous rights.</i></p>	<p>We think this is an example of low risk.</p> <p>This is because most of Fiji is indigenously owned and controlled land, so customary rights are protected.</p>	Agree/Disagree
<p>1.14 Free, prior and informed consent. Here we look at <i>legislation covering ‘free, prior and informed consent’ in connection with the transfer of forest management rights, and customary rights to the organization in charge of the harvesting operation.</i></p>	<p>We think this is an example of low risk.</p> <p>Free, prior and informed consent (FPIC) means that indigenous peoples must be informed about large projects in a timely manner so they can indicate consent. FPIC offers the best guarantee that the negative impacts of large projects will be avoided. It also ensures that indigenous peoples' economic, social and cultural rights will be protected.</p> <p>This is low risk because most of Fiji is indigenously owned and controlled land. This means that customary rights are protected, and the customary owners automatically manage their own free prior and informed consent.</p>	Agree/Disagree
<p>1.15 Another important legal consideration is indigenous peoples' rights.</p>	<p>We think this is an example of low risk.</p> <p>This is because most of Fiji is indigenously owned and controlled land. This means that customary and land tenure rights are protected.</p>	Agree/Disagree
<p>1.16 Classification of species, their quantities and their qualities. Here we look at <i>legislation regulating how harvested</i></p>	<p>We think this is an example of low risk</p> <p>This is because, where plantation forests are concerned, the Harvest Code of Practice says that the harvest plan must specify an inventory of the volume to be removed from each compartment.</p>	Agree/Disagree

<i>material is classified in terms of species, volumes and qualities.</i>	This should not be difficult as plantation forestry species are well known. They are Slash Pine and Caribbean Pine.	
1.17 Trade and transport. <i>All required trading and transport permits shall exist as well as legally required transport documents which accompany the transport of wood from forest operations</i>	We think this is an example of specified risk  There are no specified formats. Instead, trade and transport documents are specified by the company and approved in the issue of a license to harvest.	Agree/Disagree
	Control measure. There must be a valid license to harvest.	Agree/Disagree
1.18 Offshore trading and transfer pricing. Legislation regulating offshore trading and transfer pricing.	We think this is an example of low risk  This is because Fiji restricts foreign ownership in forestry, which is therefore always Fijian-owned and subject to tax in Fiji.  Transfer pricing is where a company transfers profit or excessive loss in high tax rate countries to ensure higher profit or minimal loss in low tax rate countries (known as tax havens).  There are strong transfer pricing regulations in Fii. These are consistent with transfer pricing rules adopted by Fiji's major trading partners including Australia, New Zealand, UK, USA, China, India, Japan, Singapore, Malaysia, Korea, and PNG.	Agree/Disagree
1.19 Custom regulations. <i>Custom legislation covering areas such as export/import licenses and product classification (codes, quantities, qualities and species).</i>	We think this is an example of low risk.  This is because Fiji Revenue and Customs Authority manages export licenses under the customs regulations. HS code 4707 covers wooden products of raw wood sawn or chipped.  Licenses do not require naming of species, so exotic plantation species are not affected.	Agree/ Disagree
1.20 CITES. <i>CITES permits may be relevant in some cases. CITES is the Convention on International Trade in Endangered Species of Wild Fauna and Flora.</i>	We think this is an example of low risk  This is because plantation species in Fiji are not listed in CITES	Agree/Disagree
1.21 <i>Legislation requiring due diligence/due care procedures.</i>	We think this is an example of low risk.  This is because there is no forestry-related legislation requiring due diligence	Agree/Disagree



This was a brief look at risk assessment and what it can entail.

**What will happen now?**

We will write a report on this meeting.

If you have made a comment, we will take this into account.

The risk assessment and control measures may then have to be updated.

If that happens, we will send a second draft out for consultation.

Once this is all finished we will use this to create a due diligence system, which we will also show you.

It's important to be aware that the due diligence system will simply document the agreed risk assessment and the agreed control measures. It will also outline the risk of accidentally mixing wood from non FSC-certified sources and sources not covered by the risk assessment.