

# Audit Report – Carbon Credits Certification

**Date:** 24 March 2017

**File:** 18000.36

**Location:** Pouto Forest, Kaipara District, Northland, New Zealand





# Te Uri O Hau Settlement Trust - Green Tick® Carbon Credits Certification Audit Report

## 1 EXECUTIVE SUMMARY

Te Uri O Hau Settlement Trust Board (Trust) based in Whangarei, New Zealand, has applied for Green Tick® CARBON NEGATIVE Certification of carbon credits (NZU) produced by its Pouto Forest, Kaipara, under the New Zealand Emissions Trading Scheme (NZETS).

Green Tick® Certification Limited (GTC) is a Government approved, independent sustainability certification agency that operates worldwide. GTC's sustainability certification programme is based on a sustainability assessment of an applicant's operations in accordance with the relevant ISO 14000 series of standards for environmental management. The Green Tick® CARBON NEGATIVE standard has eight health and safety and 13 environmental performance standards required for carbon credit certification.

The Trust has provided documentation of its health, safety and environmental policies and programmes (HSE), forest operational procedures and records, NZETS, and other government authority records in support of its application. Most significantly, the Trust is based upon its own bespoke Act of the New Zealand Parliament, Te Uri O Hau Claims Settlement Act 2002 (Act). This Act, among other things, mandates the Trust's sustainability status and practices for all its natural resources.

Thus the Trust is in a unique situation internationally whereby a sovereign Act of the Government of New Zealand mandates its resource management authority and practice under law.

A Green Tick® Lead Auditor conducted an audit of the Trust's documentation at its Head Office on 23 March 2017. A specialist Green Tick® forestry auditor inspected the Trust's Pouto Forests and operations on 24 March 2017. A legal Compliance Check of the Trust's forestry operations was undertaken by inspection of relevant HSE records and government environmental authority electronic records.

The audit findings were that the evidence provided showed ready compliance with all 21 Green Tick® CARBON NEGATIVE standards.

It is recommended that the Green Tick® Certification Board award the Trust Green Tick® CARBON NEGATIVE certification for its Pouto Forest carbon credits NZU. This is the world's first ever Green Tick®-certification of NZU carbon credits, providing potential buyers with impeccable evidence of the credits' genuine origin and provenance as premium quality, certified, government issue carbon credits.



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### 2 THE APPLICATION

#### 2.1 Applicant



#### 2.2 Certification subject

NZU carbon credits generated by Pouto Forest under the NZETS.

#### 2.3 Certification brand



#### 2.4 Certification scope and boundaries

Trust health, safety and environment management information related to forestry operations in the Pouto Forest.

Forest status under the NZETS, and forestry management on site at the Pouto Forest.



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### 3 CERTIFICATION METHODOLOGY

#### 3.1 Overall process

The process for Green Tick® CARBON NEGATIVE Certification comprises the following stages:

Stage I: Preparing for Certification

Stage II: Making an Application

Stage III: Independent External Sustainability Audit

Stage IV: Corrective Actions (where necessary)

Stage V: Award of CARBON NEGATIVE Certification and Licensing of “Green Tick® CARBON NEGATIVE” brand.

This report addresses Stages III-V of the process for the Trust.

#### 3.2 Certification objectives

The Certification Objectives were:

(1) To conduct a sustainability audit of the Trust’s corporate policies and operations to determine whether they meet the sustainability standards and quality management criteria required for a Green Tick® CARBON NEGATIVE certification of NZU;

(2) To conduct a sustainability audit of the Trust’s Pouto Forest to meet the sustainability standards and quality management criteria required for a CARBON NEGATIVE certification, in particular the requirements of the NZETS; and,

(3) To identify any immediately necessary Corrective Actions that the Trust needs to take to satisfy the requirements of the Green Tick® audit.

#### 3.3 Certification criteria

The certification criteria were those specified in the Green Tick® Sustainability Standards for a CARBON NEGATIVE carbon credits certification; see results of audit examinations in Tables 1 and 2 below.



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### 4 AUDIT PROCEDURE

#### 4.1 Standard used

The audit procedure followed by the audit team in this audit was undertaken in accordance with the environmental audit principals and procedures as set out in AS/NZS ISO 19011:2002.

#### 4.2 Documentation review

The first phase of the audit process involved the collection of the Applicant's health, safety and environmental information for the previous 12 month period. The Trust provided certification documentation comprised of copies of:

- Te Uri O Hau Settlement Act 2002;
- Occupational Safety and Health Policies and Procedures–sighted 23 March 2017;
- Environmental Policy and Plan – sighted 24 March 2017;
- Resource consent 20082155901, Northland Regional Council for forestry operations sighted 23 March 2017;
- Resource consent 20082155901 Monitoring Report dated 04.07.16 – sighted 23 March 2017;
- Incident Register – sighted 23 March 2017.

#### 4.3 Site visits

A site visit to the Trust's Head Office and documentation review was carried out by the Green Tick® Lead Auditor on 23 March 2017. The purpose of the site visit was to verify that the certification documentation is accurate, conduct an interview with staff regarding the sustainability practices, culture, and commitment of the Trust.

A site visit to the Trust's Pouto Forest was undertaken by a specialist forestry auditor on 24 March 2017 to establish that site safety procedures were followed, and that the forest resource characteristics did indeed meet the requirements for issue of NZU as "forest land" under the NZETS (Climate Change Response Act 2002).

#### 4.4 Compliance check

The Compliance Check involved telephone inquiries and/or examination of the web-based records of health and safety and environmental authorities, and a review of their on-line databases. It concluded that the Trust is compliant with their requirements in the Pouto Forest.



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### 5 AUDIT FINDINGS

Table 1 below summarises audit findings by certification criteria.

**Table 1: Audit Findings – Health and Safety**

KEY PERFORMANCE INDICATOR	PURPOSE	GREEN TICK CARBON CREDITS	EVIDENCE OF COMPLIANCE	AUDIT FINDINGS
<b>1.1 Safety Accident Record</b>	Minimise on-site incidents	No major harm accidents, incidents, injuries recorded in past 12 months.	Applicant's forest management consultant's incident record.	NIL RETURN - PASS
<b>1.2 Safety Staff Health and Safety</b>	Protect staff health and safety	No substantiated staff complaints about working conditions in past 12 months.	Applicant's forest management consultant's incident record.	NIL RETURN - PASS
<b>1.3 Safety Supplier Health and Safety</b>	Protect supplier health and safety	No substantiated supplier issues with on-site working conditions in past 12 months.	Applicant's forest management consultant's incident record.	NIL RETURN - PASS
<b>1.4 Safety Customer Health and Safety</b>	Protect customer health and safety	No substantiated customer complaints about health or safety issues in past 12 months.	Applicant's forest management consultant's incident record.	NIL RETURN - PASS
<b>1.5 Safety Management System</b>	Health and Safety Management	OSH-compliant health and safety management system in place.	Applicant's forest management consultant's incident register. Applicant's H&S Management System policies, procedures and records.	NIL RETURN - PASS
<b>1.6 Safety Minimising Risk</b>	Monitoring risk areas and minimising risk	Annual reviews of potential risk areas and mitigation taken.	Applicant's forest management consultant's incident record.	NIL RETURN - PASS
<b>1.7 Safety Performance Records</b>	Performance monitoring	Less than five minor non-conformances per 100 workers to H&S management system reported in past 12 months.	Applicant's incident register.	NIL RETURN - PASS
<b>1.8 Safety Legal Compliance</b>	Legal compliance and enforcement	i) 100% compliance with all legal requirements; ii) No successful enforcement actions by government agencies in past 12 months.	Applicant's accident register. Applicant's H&S Management System manuals and records.	NIL RETURN - PASS



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**Table 2: Audit Findings - Environment**

KEY PERFORMANCE INDICATOR	PURPOSE	GREEN TICK CARBON CREDITS	EVIDENCE OF COMPLIANCE	AUDIT FINDINGS
<b>2.1 Environmental Product Origin</b>	Identify product origin	All carbon credits identified by country of origin.	Applicant's NZEUR trading number (or equivalent) and carbon credits registration numbers, legal title to forests, GPS location. Government ETS records.	COMPLETE RECORDS KEPT AND AVAILABLE ON GOVERNMENT DATABASE (NZEUR <sup>1</sup> ) - PASS
<b>2.2 Environmental Product Quality</b>	High product quality	Product meets all quality standards of industry or government authority.	Applicant's NZETS records. NZETS Authority records, or equivalent for other industry types.	COMPLETE RECORDS KEPT AND AVAILABLE ON GOVERNMENT DATABASE (NZEUR) – PASS. FIELD SITE VISIT CONFIRMED “FOREST LAND” STATUS UNDER NZETS - PASS
<b>2.3 Environmental Product Labeling</b>	Accurate product labeling	Labeling meets required legal standards.	Applicant's carbon credit registration numbers. Government authority ETS records, tests or inspections.	COMPLETE RECORDS KEPT AND AVAILABLE ON GOVERNMENT DATABASE (NZEUR) – PASS. FIELD SITE VISIT CONFIRMED “FOREST LAND” STATUS UNDER NZETS - PASS
<b>2.4 Environmental Resource Use</b>	Maximise resource use efficiency	i) Programme in place to maximise resource use efficiency with defined performance targets.	Not relevant to carbon credits.	Not relevant.
<b>2.5 Environmental Chemical Use</b>	Minimise chemical use	Chemical residues comply with industry or government standard.	Applicant's forest consultant's records of chemical management – no spray use in past 12 months. No need for resource consent.	NIL RETURN - PASS
<b>2.6 Environmental Energy Use</b>	Minimise energy use	i) Programme in place to minimise energy use with defined performance targets; ii) Energy resources used at lowest practical for site/s with current technology.	Not relevant to carbon credits.	Not relevant.

<sup>1</sup> New Zealand Emissions Unit Register





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KEY PERFORMANCE INDICATOR	PURPOSE	GREEN TICK CARBON CREDITS	EVIDENCE OF COMPLIANCE	AUDIT FINDINGS
<b>2.7 Environmental Nuisance Effects</b>	Minimise adverse effects on neighbours	No substantiated complaints from neighbours about nuisances in past 12 months. (noise, dust, spray drift)	Applicant's complaints register.	NIL RETURN - PASS
<b>2.8 Environmental Contaminant Discharges</b>	Minimise contaminant discharges to air, land, freshwaters and sea	i) Programme in place to minimise contaminant discharges with defined performance targets; ii) Contaminant discharges at lowest practical for site/s with current technology per sales unit.	i) Applicant's records of means used and any independent audits completed. ii) Government Environmental Agency or other independent records that verify reported performance.	NIL RETURN – PASS, see criteria 2.5 above.
<b>2.9 Environmental Waste Management</b>	Waste minimization and disposal	Wastes reduced, re-used, recycled, or properly disposed of to authorised facilities.	Not relevant in mature forest.	Not relevant.
<b>2.10 Environmental Management System</b>	Environmental Management System (EMS)	Environmental management programme (EMP) or formal environmental management system (EMS) in place with defined performance targets consistent with industry or government standards.	Applicant's environmental management programme pursued through its Environment Division. Statutory requirement in Trust Act.	PASS
<b>2.11 Environmental Management Performance</b>	Performance monitoring	Less than five minor non-conformances per 100 workers with EMS reported in past 12 months.	Applicant's EMP records. Records of system performance and audits completed.	PASS
<b>2.12 Environmental Legal Compliance</b>	Legal compliance and enforcement	i) 100% legal compliance with any environmental consents and applicable plan rules; ii) No successful enforcement actions by government environmental agencies in past 12 months.	i) Applicant's EMP records. ii) Consents held and complied with. ii) Trust's enabling Act.	PASS
<b>2.13 Carbon Negative Status</b>	Nett greenhouse gas (carbon) uptake by natural or artificial process	Proof of natural carbon uptake by natural processes (eg. new forest) or by artificial processes (eg. carbon capture technologies).	Verified government sources to appropriate recognized sovereign government standards, eg. NZETS. Site visit of forest to verify its "Forest Land" status under the NZETS.	PASS

Note: no corrective actions required.





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### 6 RECOMMENDATION

*That GREEN TICK® CARBON NEGATIVE CERTIFICATION is GRANTED to the Applicant:*

**NAME:** TE URI O HAU SETTLEMENT TRUST

**OFFICE:** TAI TOKERAU MAORI TRUST BUILDING, 3-5 HUNT STREET, WHANGAREI, NEW ZEALAND

**LOCATION:** POUTO FOREST, KAIPARA DISTRICT, NORTHLAND, NEW ZEALAND

**PRODUCT:** CARBON CREDITS - NEW ZEALAND UNITS NZU

SIGNED:

SUSAN HARRIS BSc (Hons), MNZPI  
LEAD AUDITOR CERTIFICATE NUMBER: SAI4732

Date: 24 March 2017

**APPROVED:**



**JEFFREY V KEMP**

*Date: 24 March 2017*

**CHAIR - CERTIFICATION BOARD**

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