Albany Plantation Export Company of Australia Pty Ltd (APEC): Due diligence system according to FSC-STD-40-005 (V3.0) EN. REQUIREMENTS FOR SOURCING FSC® CONTROLLED WOOD.

Introduction

APEC produces Hardwood woodchips for export. Supply for APEC’s products comes from a variety of plantation sources. Some are local FSC certified and some are local controlled material source. All wood sourced is plantation grown Eucalyptus globulus from the Australian state of Western Australia including all sub districts within state boundaries.

Suppliers fall into the following categories:

- FSC certified wood (see section 5.2).
- FSC Controlled Wood from companies certified according to FSC-STD-30-010 or FSC-STD-40-005.
- Controlled material included in the company’s own FSC Controlled Wood Due Diligence System.

For all suppliers including third party private growers, detailed records are kept of supplying blocks and these are made available to FSC auditors.

Due Diligence system

This document outlines the Due Diligence (DD) system under FSC-STD-40-005 (V3.0) EN REQUIREMENTS FOR SOURCING FSC® CONTROLLED WOOD - PART I DUE DILIGENCE SYSTEM.

The basis of the APEC Due diligence system is three elements: obtaining information, risk assessment, risk mitigation.

Obtaining information.
APEC uses a risk assessment on this supply chain as part of their program for controlled wood sources under FSC-STD-40-005 (V3.0) EN. REQUIREMENTS FOR SOURCING FSC® CONTROLLED WOOD. The risk assessment used is the FSC Australia Controlled Wood Risk Assessment Matrix (FSC-CWRA-001-AUS (V1-0)) which has already obtained information and formulated a risk assessment and has determined a low risk for four of the five controlled wood criteria in Western Australia using an expert committee engaged by FSC Australia.¹

Illegally harvested wood, wood harvested in violation of traditional and civil rights, wood harvested from forests being converted to plantations or non-forest uses, and wood from forests in which genetically modified trees are planted are therefore LOW RISK for the purposes of the national Risk assessment and this Due diligence system.

The fifth criteria, wood harvested from forests in which high conservation values (HCV) are threatened by management activities, was found to have an unspecified risk under the current National Risk Assessment.

Under the new standard there is a category called specified risk: defined as:

“A conclusion, following a risk assessment conducted according to FSC-PRO-60-002a FSC National Risk Assessment Framework, that there is risk which cannot be determined as low that forest products from unacceptable sources may be sourced or enter the supply chain from a Specific geographic area. The nature and extent of this risk is specified for the purpose of defining efficient control measures.”

(Source: FSC-PRO-60-002a FSC National Risk Assessment Framework)

Under FSC-STD-40-005 (V3.0) EN. REQUIREMENTS FOR SOURCING FSC® CONTROLLED WOOD. When specified or unspecified risk for the source of the material or mixing in the supply chain is identified, control measures shall be implemented by the organization to mitigate the risk.

FSC-STD-40-005 (V3.0) EN 4.5 says

“Indicators and verifiers in an approved Forest Stewardship National Standard, certification body standard, or International Generic Indicators may be used for control measures where relevant.”

¹ The expert team engaged by FSC Australia to develop both the national risk assessment and the FSC Australia’s HCV framework: Prof Rod Keenan (Uni Melb), Dr Anne Wallis (Uni Monsah), Dr Brendan Wintle (Uni Melb), Prof Jerry Vanclay (Uni NSW)
Chris Loorham (mediation manager with the National Native Title Tribunal dealing with Native Title claims and agreements throughout Australia.), Dr Steve Mueck (Biosis). Chairman, Kevin OGrady (FSC Australia Board Chairman).
For the purposes of the FSC Australia the [FSC Australia’s HCV framework](#), which is normative for both controlled wood and for the purposes of full FSC forest certification in Australia, specifies the risks and points towards appropriate control measures. Under this approach there is verification that appropriate ‘tools’ have been used to satisfy the 6 classes of HCV.

Therefore risk mitigation is achieved by applying the guidance as control measures and monitoring the effectiveness of their implementation.

2. APEC also documents the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, or storage.

Contents

1. FSC-PRO-60-002a FSC National Risk Assessment Framework including for each supply source:
   - Supply location Geographic and Ecoregion. Description of the nature of the supplying forestry operations, the supply area(s) and respective risk designation(s);
   - 2 Basis of the control measures and monitoring of the control measures.
     - 2.1 Control measures specifically For 3.2 Controls applied by each supplier to protect HCV


3. Procedures for comments and complaints from stakeholders relating to the DDS.
1. **FSC-PRO-60-002a FSC National Risk Assessment Framework for each supply source**

**APEC RISK ASSESSMENT OF WOOD SUPPLY**

Version 4.0, Reviewed July 2016 (no change to the FSC Australia Controlled Wood Risk Assessment Matrix v1)

<table>
<thead>
<tr>
<th>Certificate holder:</th>
<th>Certification Body (CB):</th>
<th>Scope:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albany Plantation Export Company of Australia Pty Ltd</td>
<td>Soil Association</td>
<td>National, State and Bioregions. WA Bioregions: Jarrah Forest (JF), Esperance Plains (ESP) and Warren (WAR) WWF Bioregions Mediterranean Forests, Woodlands and Scrub</td>
</tr>
<tr>
<td>FSC CW Certificate Code:</td>
<td>Date of CB Approval:</td>
<td>Address of CB:</td>
</tr>
<tr>
<td>FSC Australia Controlled Wood Risk Assessment MATRIX FSC-CWRA-001-AUS Version 1-0, July 8, 2009</td>
<td>Pending approval – subject to audit.</td>
<td>South Plaza Marlborough Street Bristol BS1 3NX England</td>
</tr>
<tr>
<td>Date of risk assessment:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificate holder address:</td>
<td></td>
<td></td>
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<tr>
<td>Lot 100, Down Road Albany WA</td>
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</tr>
</tbody>
</table>

**SUMMARY:**
<table>
<thead>
<tr>
<th>Category</th>
<th>Summarized risk determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Legality</td>
<td>LOW</td>
</tr>
<tr>
<td>2. Civil rights</td>
<td>LOW</td>
</tr>
<tr>
<td>3. HCV</td>
<td>UNSPECIFIED</td>
</tr>
<tr>
<td>4. Conversion</td>
<td>LOW for Vic, NSW, QLD, WA, SA, UNSPECIFIED for NT, Tas</td>
</tr>
<tr>
<td>5. GMOs</td>
<td>LOW</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FSC category</th>
<th>FSC indicator</th>
<th>Sources used</th>
<th>Justification</th>
<th>Scale of assessment</th>
<th>Risk level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Illegally harvested wood. The district of origin may be considered low risk in relation to illegal harvesting when all the following indicators related to forest governance are present:</td>
<td>1.1 Evidence of enforcement of logging related laws in the district</td>
<td><strong>Minimum List of Applicable Legislation in accordance with ADV-40-005-19</strong>&lt;br&gt;1.0 Legal rights to harvest&lt;br&gt;Planning and Environment Act 1987 (Vic) &lt;br&gt;Code of Practice for Timber Production 2014 (Vic) &lt;br&gt;The Australian Illegal Logging Prohibition Act (Cwth) (2012). &lt;br&gt;2.0 Taxes and Fees&lt;br&gt;Corporations Act 2001 (Cwth) &lt;br&gt;Income Tax Assessment Act 1997 (Cwth) &lt;br&gt;Good and Service Tax Act 1999 (Cwth) &lt;br&gt;3.0 Timber Harvesting Activities&lt;br&gt;Victoria Code of Practice for Timber Production 2014&lt;br&gt;Catchment and Land Protection Act 1994&lt;br&gt;Water Act 1989&lt;br&gt;Wildlife Act 1975&lt;br&gt;Country Fire Act 1958&lt;br&gt;Extractive Industries Development Act 1995&lt;br&gt;Electrical Safety (Network Assets) Regulations 1999</td>
<td>Each State has various regulators responsible for implementing and enforcing State legislation.&lt;br&gt;All Australian jurisdictions have in place strong legislative, regulatory and practice (generally in the form of Forest Practices Codes) instruments which are used both to guide and enforce the application of legal requirements for forest operations and timber harvesting (for public and private forests and plantations). Code violations are relatively rare and not normally on a scale envisaged to encompass illegal logging. However, serious, knowing or continuing breaches of the code can constitute contravention of the law.&lt;br&gt;APEC undertakes harvesting for private supply of wood and does so in accordance with APEC’s internal procedures. In addition, regular harvesting inspections are carried out which examine many of the legislative</td>
<td>State</td>
<td>Low</td>
</tr>
<tr>
<td>Western Australia</td>
<td>South Australia</td>
<td>Commonwealth</td>
<td></td>
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<td>-------------------</td>
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<tr>
<td>Animal Welfare Act 2002</td>
<td>Natural Resources Management Act 2004 and Regulations 2006</td>
<td>Requirements. Contractors are also audited by APEC and independent auditors against relevant legal requirements.</td>
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</tr>
<tr>
<td>Biosecurity and Agriculture Management Act 2007</td>
<td>Environment Protection (Water quality) 2003</td>
<td>Suppliers that undertake their own harvesting are assessed for their management system. Current suppliers are certified under the AFS, forest management standard which requires demonstration of compliance with applicable laws.</td>
<td></td>
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</tr>
<tr>
<td>Conservation and Land Management Act 1989</td>
<td>Environment Protection Act 1993</td>
<td>Continued breaches of legal requirements as detected through inspections or compliance and verification audits (under category 3) shall require review of the low risk designation for category 1.</td>
<td></td>
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<tr>
<td>Environment Protection (clearing of Native Vegetation) Regulations 2004</td>
<td>Plant Health Act 2009 (SA)</td>
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<tr>
<td>Wildlife Conservation Act 1950</td>
<td>Work Health and Safety Act and Regulations</td>
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<tr>
<td>Bush Fires Act 1954</td>
<td>Flora and Fauna Guarantee Act</td>
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<tr>
<td>Rights in Water and Irrigation Act 1914</td>
<td>Planning and Environment Act 1987</td>
<td></td>
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<tr>
<td>Safety and Health Code for Plantation Logging</td>
<td>South Australia</td>
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<tr>
<td>OSH Act 1984 and Regs 1996</td>
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<td></td>
<td></td>
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<tr>
<td>Workplace Relations Act 1974</td>
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</table>
### 4.0 Third Parties' Rights
- **Aboriginal Heritage Act 2006 (Vic)**
- **Aboriginal Heritage Act 1988 (SA)**
- **Heritage of Western Australia Act 1990 (WA)**
- **Aboriginal Heritage Act 1972**
- **Aboriginal and Torres Strait Islander Heritage Protection Act 1984**
- **Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cwth)**

### 5.0 Trade and Transport
- **Road Safety Act 1986 (Vic)**
- **Road Traffic Act 1961 (SA)**
- **Road Traffic Act 1974 (WA)**

### 6.0 Due Diligence
- **The Australian Illegal Logging Prohibition Act (Cwth) (2012).**

<table>
<thead>
<tr>
<th>1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.</th>
<th>State authority's records of forest audits</th>
<th>All forest codes of practice are audited by the relevant state or territory</th>
<th>State</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.</td>
<td>State authority's records of forest audits</td>
<td>All forest codes of practice are audited by the relevant state or territory</td>
<td>State</td>
<td>Low</td>
</tr>
<tr>
<td>1.4 There is a low perception of corruption related to the granting or issuing of harvesting</td>
<td>Transparency International maintains regularly updated information on perceptions of corruption at the national level (<a href="http://www.transparency.org">http://www.transparency.org</a>)</td>
<td>According to Transparency International CPI for this country is 6,8 (CPI is higher or equal to 5)</td>
<td>National</td>
<td>Low</td>
</tr>
</tbody>
</table>
permits and other areas of law enforcement related to harvesting and wood trade.

| 2. Wood harvested in violation of traditional or civil rights. The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when all the following indicators are present: |
|---|---|
| 2.2 The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber) | Conflict timber: Dimensions of the Problem in Asia and Africa Volume I Synthesis Report (available at [www.usaid.gov](http://www.usaid.gov)) | The country is not associated with or designated as source of conflict timber according to latest available research. |
| 2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned. | [Global Child labor trends 2000 to 2004. ILO (International Labour Office). (available at: http://www.ilo.org/ipecinfo/product/viewProduct.do;?productId=2299)](http://www.ilo.org/ipecinfo/product/viewProduct.do;?productId=2299) | No evidence of child labor or violation of ILO fundamental principles on a remarkable scale is known to occur. |
| 2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned. | Indigenous cultural heritage is managed through state based agencies and state based regulations and legislation | No evidence that current legislation and related practices are not recognised or equitable. Note that FSC Australia has set up an Indigenous Steering Committee that may result in receiving information that could result in a review of the risk level. |
| 2.5 There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in | No evidence is known | There is no evidence of violation of the ILO convention taking place in forest areas of district concerned. Note that FSC Australia has set up an Indigenous Steering Committee that may result in |
3. Wood harvested from forest in which high conservation values are threatened by management activities. The district of origin may be considered low risk in relation to threat to high conservation values if: a) indicator 3.1 is met; or b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1.

| 3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high conservation values. | Those regions identified by Conservation International as a Biodiversity Hotspot [http://www.biodiversityhotspots.org/xp/hotspots/Pages/default.aspx](http://www.biodiversityhotspots.org/xp/hotspots/Pages/default.aspx). Those forest, woodland, or mangrove ecoregions identified by World Wildlife Fund as a Global 200 Ecoregion and assessed by WWF as having a conservation status of endangered or critical. If the Global 200 Ecoregion comprises more than a single terrestrial ecoregion, an ecoregion within the Global 200 Ecoregion can be considered low risk if the sub-ecoregion is assessed with a Conservation Status other than “critical/endangered” [http://www.nationalgeographic.com/wildworld/profiles/g200_index.html](http://www.nationalgeographic.com/wildworld/profiles/g200_index.html). Those regions identified by the World Resources Institute as a Frontier Forest Intact Forests Landscapes, as identified by Greenpeace ([www.intactforests.org](http://www.intactforests.org)) Info on IBRA bioregions found at [http://www.environment.gov.au/parks/nrs/science/bioregion-framework/ibra/index.html](http://www.environment.gov.au/parks/nrs/science/bioregion-framework/ibra/index.html). | HCV exists in all bioregions, hence 3.1 applies | Bioregion (IBRA) (see map in Appendix 1) | Unspecified |

3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.

<p>| FSC International advice is that national or state legislative controls can be accepted if: a) A (national) legal system of protection is in place (and this is widely accepted by stakeholders as providing adequate protection) b) The effectiveness of law enforcement in the country can be demonstrated | Current legislation, programs and tools such as the Comprehensive, Adequate and Representative (CAR) reserve system based on the JANIS criteria and the Regional Forest Agreements (RFAs) have not passed the test of wide stakeholder acceptance as ‘strong system of protection’. Evidence exists that HCV are still being impacted across | Bioregion (IBRA) (see map in Appendix 1) | Unspecified |</p>
<table>
<thead>
<tr>
<th>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</th>
<th>4.1 There is no net loss AND no significant rate of loss (&gt;0.5% per year) of natural forests and other naturally wooded ecosystems such as savannas taking place in the eco-region in question.</th>
<th>State of the World's Forests 2009. FAO (Food and Agriculture Organization of the United Nations). 2009. This is the most latest available data (dated 2005) about annual change rate of forest cover. (Available at <a href="http://www.fao.org/docrep/009/a0773e/a0773e00.htm">http://www.fao.org/docrep/009/a0773e/a0773e00.htm</a>). HOWEVER THIS INFORMATION DOES NOT ADDRESS PLANTATION ISSUE. For guidance to sourcing in Tasmania, see <a href="http://www.fscaustralia.org/files/100/highlighted%20wood%20guidance%20note%20nov%202008.pdf">http://www.fscaustralia.org/files/100/highlighted%20wood%20guidance%20note%20nov%202008.pdf</a></th>
<th>According to last FAO report (State of World's Forests 2007) forest area annual net loss is -0.1% (&lt;= 0.5% per year). Evidence exists that conversion of native forest is still taking place in NT (eg Tiwi Islands) and areas of Tasmania (with existing licences still valid after new legislation stopping conversion on public land only was introduced in 2006).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>through a high rating (≥ 75%) in the World Bank “rule of law” index (<a href="http://www.govindicators.org">www.govindicators.org</a>)</td>
<td>Australia. Therefore, risk remains unspecified at the Annex 2 level. APEC ’s examination of the HCV control system for small private suppliers shows:</td>
<td></td>
</tr>
</tbody>
</table>
5. Wood from forests in which genetically modified trees are planted. The district of origin may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is complied with:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Source</th>
<th>Risk Level</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned</td>
<td>The Gene Technology Act 2000</td>
<td>National</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>According to the latest available FAO study (&quot;Preliminary review of biotechnology in forestry, including genetic modification&quot;, 2004. (available at <a href="http://www.fao.org/docrep/008/ae574e/ae574e00.htm">http://www.fao.org/docrep/008/ae574e/ae574e00.htm</a>) there is no commercial usage of any GM trees in the country. In Australia, GMO's are regulated by the Gene Technology Act which is administered by the Office of the Gene Technology Regulator (OGTR). Current search (March 09) for licences shows no licenses given for tree species.</td>
<td>National</td>
<td>Low</td>
</tr>
<tr>
<td>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use</td>
<td>The Gene Technology Act 2000</td>
<td>National</td>
<td>Low</td>
</tr>
<tr>
<td>c) It is forbidden to use genetically modified trees commercially in the country concerned</td>
<td>The Gene Technology Act 2000</td>
<td>National</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Currently illegal to use genetically modified trees for commercial purposes</td>
<td>National</td>
<td>Low</td>
</tr>
</tbody>
</table>
2 Basis of the control measures and monitoring of the control measures

2.1 The basis of the control measures.

The control measures are based on the FSC Australia’s HCV framework, this document, which is normative has been consulted widely and formally approved by FSC Australia outlines control measures that must be in place for different circumstances when HCV are in place.

<table>
<thead>
<tr>
<th>High Conservation Value</th>
<th>Minimum requirements from the FSC Australia’s HCV framework</th>
<th>What APEC does</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCV 1: Forest areas containing globally, nationally and regionally significant concentrations of biodiversity values (e.g., endemism, endangered species, refugia).</td>
<td>Prepare lists and maps of potential HCV accordingly. Step 2: Seek expert advice on basis of Step 1 to further identify HCVs including habitat requirements and range mapping. Step 3: Undertake targeted flora and fauna surveys to determine presence or absence /range etc of sites specific HCVs. Step 4: Consult stakeholders* on documentation prepared under Step 1,2 and 3 Tools that will be useful in this process include:- Interrogation of incidental species record databases and range mapping when HCVs are well known/recorded with habitat requirements that are</td>
<td>For all non-certified wood sources where the owner has not completed their own harvest plan and assessment of high conservation values, APEC will conduct these on behalf of the grower per the Minimum requirements from the FSC Australia’s HCV framework. A full verification and assessment of ALL plantations for harvest is done against the HCV 1 criteria at the sale and purchase agreement stage. An owner’s declaration is used to identify any known values. For other supply from uncertified private growers at either the stump or the mill gate, APEC will inspect 100% of all supplying</td>
</tr>
</tbody>
</table>

* | | | |

Albany Plantation Export Company of Australia Pty Ltd (APEC)
| HCV 2. Forest areas containing regionally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance. | Step 1 If HCV 2 is present. Interrogation of the Directory of Information Sources and databases to enable mapping and reporting on vegetation communities, condition assessment, wilderness assessment, concentrations of species, old growth*, wilderness, growth stage, vegetation condition and remnant vegetation, logging history etc and to determine whether further mapping needs to be commissioned.  
Step 2 – Independent third party reviews: World Heritage Reports, values threat analysis; scientific reports of landscape scale impacts, comparative study of historical and current aerial photographs.  
Step 3 – Stakeholder* consultation on the outcomes of Steps 1 and 2 | If HCV 2 is present A full verification and assessment of ALL plantations for harvest is done against the HCV 2 criteria at the sale and purchase agreement stage.  
Prescriptions for the control measures for HCV 2 if any are included in the harvest plan and carried out by the harvest contractor under APEC supervision – see also 2.2 How are these control measures achieved and monitored? |
|---|---|---|
| HCV 3. Forest areas that are in or contain rare, threatened or endangered ecosystems. | Step 1 - Interrogation of ecosystem databases and range mapping  
Use when ecosystems/seral stages etc have been well described/mapped.  
Step 2 – Where there is no ecosystem mapping | For all non-certified wood sources where the owner has not completed their own harvest plan and assessment of high conservation values, APEC will conduct these on behalf of the grower per the Minimum requirements |
### HCV 4. Forest areas that provide basic services of nature in critical situations (e.g., watershed protection, erosion control).

| Step 1 | Identification and mapping of HC Value areas  
| Step 2 | Site specific and catchment level management hydrological modelling, monitoring and reporting.  
| Step 3 | Consultation with stakeholders* on outcomes of Steps 1 and 2 |

For all non-certified wood sources where the owner has not completed their own harvest plan and assessment of high conservation values, APEC will conduct these on behalf of the grower per the Minimum requirements from the FSC Australia’s HCV framework. A full verification and assessment of ALL plantations for harvest is done against the HCV 4 criteria at the sale and purchase agreement stage. An owner’s declaration is used to identify any known values.

For other supply from uncertified private growers at either the stump or the mill gate, APEC will inspect 100% of all supplying coupes.

Prescriptions for the control measures for HCV 3 if any are included in the harvest plan and carried out by the harvest contractor under APEC supervision – see also 2.2 How are these control measures achieved and monitored?
<table>
<thead>
<tr>
<th>HCV 5.</th>
<th>Forest areas fundamental to meeting basic needs of local communities (e.g., subsistence, health).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HCV 5 Generally not considered to exist in Australia. No action</td>
</tr>
<tr>
<td>HCV 6.</td>
<td>Forest areas critical to local communities’ traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities)</td>
</tr>
</tbody>
</table>
|        | Step 1 — Use of Maps and registered sites (not always accurate)  
- Historical accounts and local knowledge (evidence of consultation required)  
- Consult historical and Aboriginal Inventories (national, state and local level) identified in the Directory of Information Sources  
Step 2 – stakeholder consultation on outcomes from Step 1.  
If required, Step 3 - Field survey and expert report  
- Cultural Heritage Agreements with local groups covering all or some of the above points |
|        | For all non-certified wood sources where the owner has not completed their own harvest plan and assessment of high conservation values, APEC will conduct these on behalf of the grower per the Minimum requirements from the FSC Australia’s HCV framework. A full verification and assessment of ALL plantations for harvest is done against the HCV 6 criteria at the sale and purchase agreement stage. An owner’s declaration is used to identify any known values.  
For other supply from uncertified private growers at either the stump or the mill gate, APEC will inspect 100% of all supplying coupes.  
Prescriptions for the control measures for
2.2 How are these control measures achieved and monitored?

The suppliers are all contracted to for both supply of hard wood trees and as harvest contractors who are contracted for harvesting of hardwood trees. As part of a supplier approval and induction process APEC will review suppliers for compliance to certain contract requirements. This includes things like OHS, business insurance but now also includes a review of their control of HCV measured against the FSC Australia HCV evaluation framework. For private suppliers APEC will carry out some of these control measures themselves.

Related documents:
- INDUCTION SUB CONTRACTOR and HARVESTING AND EXTRACTION INDUCTION
- Harvest plans
- APEC POLICY STATEMENT ENVIRONMENTAL MANAGEMENT
- High Conservations (HCVF) management plan

Ongoing monitoring of the control measures.

APEC will monitor and verify that the control measures are undertaken in harvest planning and harvest operations. APEC will regularly visit harvest coupes and will monitor the control measures during those visits e.g. checking harvest records, harvest QA records, Harvest Diaries.

Related documents:
- On site QA forms
- QA audits
A record of these visits and the checks made will be kept by APEC.

2.1 **Control measures for private (non certified suppliers) and harvest contractors.**

For all private wood sources where the owner has not completed their own harvest plan and assessment of high conservation values, APEC will conduct these on behalf of the grower. A full verification and assessment of ALL plantations for harvest is done against the HCV criteria at the sale and purchase agreement stage. An owner’s declaration is used to identify any known values.

For other supply from uncertified private growers at either the stump or the mill gate, APEC will inspect 100% of all supplying coupes. The harvest plans incorporating control measures. These control measures are consistent with the [FSC Australia HCV guidance](#).

The basis of the control measures and the monitoring of these are contained within the APEC Harves plan. These include:

 Visits to the sites during harvest operations.
 Quality Assurance (QA) checklists for the relevant operation are used to conduct and record formal monitoring checks. The minimum frequency is specified at the top of the QA; however more frequent checks are conducted depending on:

- Whether they are a preferred contractor or not;
- The risk and complexity of task;
- Previous monitoring results;
- Hazards and special values present on the property;
- Duration of the contract; and
- Interaction with other parties (site employees, other contractors, public)

3 **Mixing Risk Assessment**
Mixing risk assessment for FSC controlled wood:

**Project / Work Description:**
FSC Controlled wood Due diligence system

**Risk Assessment Team (Name/s):** Linda Clark

**Approved By Supervisor / Reporting Officer:**
(Name, Date & Signature)
Linda Clark

**Date Conducted:** 19.05.2017  
**Next Review Date:** 24.05.2018

<table>
<thead>
<tr>
<th>Step</th>
<th>Hazard Identification</th>
<th>Risk Evaluation and justification</th>
<th>Control Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harvest</td>
<td>Taking wood from blocks that are not covered under the Due Diligence system (DDS).</td>
<td>Low</td>
<td>No wood is accepted outside of the DDS. Wood accepted is either FSC certified or controlled wood. Where a supplier is certified, APEC shall obtain full FSC certification details and update the Register of FSC Certified Supplier. The Open Plantation Request form is used to confirm validity of FSC certification of the supplier prior to any delivery of product. Wood coming in from non-FSC certified suppliers (private sources) falls under APEC’s Controlled wood verification program.</td>
</tr>
<tr>
<td>Ports</td>
<td>Wood from unacceptable sources being mixed with certified wood at Albany Chip Terminal or Portland Chip Terminal</td>
<td>Low</td>
<td>No wood is accepted outside of the DDS. Wood accepted is either FSC certified or controlled wood. APEC identifies and tracks wood delivered to the Mill via the Weighbridges. An electronic</td>
</tr>
</tbody>
</table>

Albany Plantation Export Company of Australia Pty Ltd (APEC)
4 Procedures for comments and complaints from stakeholders relating to the DDS.

This procedure is used for stakeholder consultations and instances when comments or complaints from Stakeholders. Formal stakeholder consultations will take place when the DDS is first set up and after that only whenever a risk designation of control measure changes. Comments and complaints may occur at any time.

4.1 Stakeholder identification: APEC
Shall identify affected and interested stakeholders in relation to the forest management activities of their suppliers and the identified risk, including the stakeholder groups listed below (see section 4.7).

4.2 Stakeholder notification: Identified stakeholders will be invited to participate in the consultation at least six (6) weeks prior to the change to the DDS or related control measures that is the subject of the consultation. APEC shall employ effective means to inform stakeholders, using culturally appropriate consultation techniques FSC Australia will be involved in the consultation both as a stakeholder and as a conduit to invite stakeholder comments via the FSC Australia web page.

4.3 Stakeholder engagement techniques:
Techniques to reach out to stakeholders may include Face to face meetings, personal contacts by phone, email, or letter, notice published in the national and/or local press and on relevant websites (eg FSC Australia), local radio announcements, or local customary notice boards.

4.4 Stakeholder consultation
All identified stakeholders are provided access to information that is relevant to the consulted issue no later than six (6) weeks prior to the change to the DDS that is the subject of the consultation. APEC only excludes information that is considered confidential. In such cases a justification for the confidential nature of the information is presented to the FSC certification.

If there is a requirement to publish the comments stakeholders will be asked to provide their consent to the publication of their comments.

4.5 Stakeholder feedback

Within sixty (60) days after the end of the consultation period, APEC will respond to all stakeholders who participated in the consultation process, to explain how their comments were taken into account.

4.6 Consultation records:
APEC maintains records of the consultation process, including a list of stakeholders consulted and their comments, and evidence that the consultation was carried out in line with the requirements of this standard.

4.7 Content of the report
APEC will prepare a report of the consultation process, which includes:

a) The areas for which the stakeholder consultation has been conducted (e.g. geo-reference data, state, province, supply unit);
b) A list of the stakeholders groups invited by APEC to participate in the consultation;
c) A summary of the stakeholder comments received. These will not normally be published but if they are comments are only be published with prior consent from the consulted stakeholder and not associated with stakeholder names;
d) A description of how APEC has taken stakeholder comments into account;
e) The organization’s justification for concluding that the material sourced from these areas can be used as controlled material or sold with the FSC Controlled Wood claim of the certification process, according to Section 6 of the controlled wood standard.

4.8 Stakeholders groups
Groups or individuals representing the interests listed below, that are relevant and according to identified risk, will be identified and added to a stakeholder database and notified during the consultation process. Each group specified may be represented by an unlimited number of representatives, subject to
balanced consideration of the input received during the consultation. The list is not comprehensive and any other stakeholder groups relevant to the certification process may be identified, added to the stakeholder database and notified.

Economic interests:
a) Forest owners and/or managers of large, medium and small forests, and high, medium, and low-intensity managed forests;
b) Forest contractors (including loggers);
c) Representatives of forest workers and forest industries;
d) Certificate holders.

Social interests:
a) NGOs involved or with an interest in social Aspects of forest management and other related operations;
b) Forest workers;
c) International, national and local trade/labour unions;
d) Representatives of local communities involved or with an interest in forest management, including those relevant for HCVs 5 and 6;
e) Representatives of Indigenous Peoples and/or traditional peoples (if present and/or holding rights), including those relevant for HCVs 5 and 6;
f) Representatives of recreational interests.

Environmental interests:
a) NGOs involved or with an interest in the environmental Aspects of forest management. Consultation should target the following areas of interest and expertise:
   - Biological diversity
   - Water and soil
   - HCVs 1-4
b) Local communities and Indigenous Peoples’ representatives (HCVs 5 and 6).

3.4 FSC-accredited certification bodies active in the country
3.5 National and state forest agencies
3.6 Experts with expertise in controlled wood categories
3.7 Research institutions and universities
3.8 FSC Australia
6. Other mechanisms for general complaints relating to APEC FSC certifications.

Stakeholders who have any concerns with relation to our DDS or Control Measures or any other operations in relation to our FSC certification are able to do so via our website http://www.albanyplantations.com.au/contacts.aspx using our contact page, all concerns will be treated in accordance to our Grievance and Complaints Policy.
Appendix 1  IBRA bioregions