OneFortyOne Wood Products Pty Ltd: Due Diligence System
According to FSC-STD-40-005 (V3-1) EN. Requirements for sourcing FSC® Controlled Wood - Woodchip Supply.

Public Summary

<table>
<thead>
<tr>
<th>Certificate holder:</th>
<th>OneFortyOne Wood Products Pty Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate holder address:</td>
<td>Jubilee Highway East, PO Box 1446, Mount Gambier SA 5290</td>
</tr>
<tr>
<td>Controlled wood certificate number:</td>
<td>SCS-CW-004912</td>
</tr>
<tr>
<td>Chain of custody certificate number:</td>
<td>SCS-COC-004912</td>
</tr>
</tbody>
</table>

Introduction

OneFortyOne Wood Products Pty Ltd (OFO) purchases Radiata pine logs sourced from plantations in the Green Triangle region of Australia to manufacture sawn timber at the Jubilee sawmill in Mount Gambier, SA. Woodchips are produced as a co-product of sawmilling. These woodchips are delivered to the Port of Portland, Vic. for export. OFO purchases woodchips delivered to the Port of Portland from other South Australian sawmills that process logs sourced from Radiata pine plantations in the Green Triangle and Mount Lofty Ranges regions. OFO purchases woodchips delivered to the Port of Portland from chipper operations that process logs sourced from Radiata pine plantations in the Green Triangle region.

OFO has conducted a risk assessment on the supply chain as part of the Due Diligence System (DDS) for controlled wood sources under FSC-STD-40-005 (V3-1) EN. The OFO FSC Controlled Wood DDS Risk Assessment (encompassing the FSC Australia Controlled Wood Risk Assessment Matrix¹ (FSC-CWRA-001-AUS (V1-0))) has determined a low risk for four of the five controlled wood categories in the States of Victoria and South Australia at this level: Category 1 - illegally harvested wood, Category 2 - wood harvested in violation of traditional and civil rights, Category 4 - wood harvested from forests being converted to plantations or non-forest uses, and Category 5 - wood from forests in which genetically modified trees are planted. The controlled wood Category 3 - wood harvested from forests in which high conservation values (HCV) are threatened by management activities, was found to have an unspecified risk. The DDS risk assessment also considers the risks associated with mixing of non-eligible material in the supply chain.

For risk mitigation measures to be effective, OFO will ensure they are be applied at the proper level of the supply chain.

Risk Designation

<table>
<thead>
<tr>
<th>Category</th>
<th>Summarised risk determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORIGIN</td>
<td></td>
</tr>
<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</td>
</tr>
<tr>
<td>5. GMOs</td>
<td>LOW</td>
</tr>
<tr>
<td>RISK OF MIXING</td>
<td>NO</td>
</tr>
</tbody>
</table>


2017_OFO_FSC_Controlled_Wood_Due_Diligence_Risk_Assessment March 2018
CONTROLLED WOOD ORIGIN

Supply Area
- Green Triangle regions of south east South Australia and south west Victoria.
- Mount Lofty Ranges region of South Australia.
Refer appended maps.

Ecoregions of Origin
Mount Lofty Ranges
- Deserts & Xeric Shrubland
- Mediterranean Forests, Woodlands and Scrub
- Temperate Broadleaf and Mixed Forest

Green Triangle
- Mediterranean Forests, Woodlands and Scrub
- Temperate Broadleaf and Mixed Forest

Bioregions of Origin
- Flinders Lofty Block
- Kanmantoo
- Naracoorte Coastal Plain
- Southern Volcanic Plains
- Murray Darling Depression
- Victoria Midlands
According to FSC-STD-40-005 (V3-1) EN. Requirements for sourcing FSC® Controlled Wood - Woodchip Supply.

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**Primary supplier names and addresses who are supplying wood sourced from the supply area:**
1. Primary suppliers of plantation grown radiata pine (*Pinus radiata*) logs delivered to sawmills located in the supply area.
2. Secondary suppliers of radiata pine woodchip co-products originating from sawmills or chipper operations.

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>FSC Product group</th>
<th>FSC Material category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forestry SA</td>
<td>Jubilee Highway East, Mount Gambier, SA 5290</td>
<td>W1.1 Roundwood logs - Radiata pine (<em>Pinus radiata</em>)</td>
<td>FSC Controlled Wood</td>
</tr>
<tr>
<td>OneFortyOne Plantations Ltd</td>
<td>Level 6 636 St Kilda Rd Melbourne Vic 3004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Triangle Forest Products</td>
<td>Lot 11, Monterey Drive, Mount Gambier, SA 5290</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wokurna / Whitehead</td>
<td>1 Lewis Avenue, Mount Gambier, SA 5290</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hancock Victorian Plantations</td>
<td>15 Penola Road, Mount Gambier, SA 5290</td>
<td>W1.1 Roundwood logs - Radiata pine (<em>Pinus radiata</em>)</td>
<td>FSC 100%</td>
</tr>
<tr>
<td>Timberlands Pacific</td>
<td>10 Helen Street, Mount Gambier, SA 5290</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Secondary Suppliers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OFO Jubilee sawmill</td>
<td>Jubilee Highway East, Mount Gambier, SA 5290</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Bluegum Plantations</td>
<td>60 Portland Road, Hamilton, Vic 3300</td>
<td>W3.1 Wood chips - Radiata pine (<em>Pinus radiata</em>)</td>
<td>FSC Controlled Wood</td>
</tr>
<tr>
<td>Pty Ltd</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NF McDonnell &amp; Sons</td>
<td>Suttontown Road, Mount Gambier, SA 5290</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA Pine</td>
<td>807 Wickham Hill Road, Meadows, SA 5201</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South East Pine Sales</td>
<td>2560 Kangaroo Flat Road, Compton, SA 5291</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timberlink Australia</td>
<td>Riddoch Highway, Tarpeena, SA 5291</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whitehead Timber Sales</td>
<td>1 Lewis Avenue, Mount Gambier, SA 5290</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
OneFortyOne Wood Products Pty Ltd: Due Diligence System According to FSC-STD-40-005 (V3-1) EN. Requirements for sourcing FSC® Controlled Wood - Woodchip Supply.

Public Summary

The following figure illustrates the OFO woodchip supply chain.

**OFO Suppliers and sub-suppliers**
Suppliers and sub-suppliers that are covered by the OFO DDS can be seen in the figure below:
## Risk Assessment

### 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:

<table>
<thead>
<tr>
<th>Findings and Resources</th>
<th>Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Evidence of enforcement of logging related laws in the district.</td>
<td>☒ Low Risk</td>
</tr>
<tr>
<td>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.</td>
<td>☒ Low Risk</td>
</tr>
<tr>
<td>1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.</td>
<td>☒ Low Risk</td>
</tr>
<tr>
<td>1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.</td>
<td>☒ Low Risk</td>
</tr>
</tbody>
</table>

### 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:

<table>
<thead>
<tr>
<th>Findings and Resources</th>
<th>Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 There is no UN Security Council ban on timber exports from the country concerned.</td>
<td>☒ Low Risk</td>
</tr>
<tr>
<td>2.2 The country or district is not designated a source of conflict timber (E.g USAID Type 1 conflict timber).</td>
<td>☒ Low Risk</td>
</tr>
<tr>
<td>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.</td>
<td>☒ Low Risk</td>
</tr>
<tr>
<td>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.</td>
<td>☒ Low Risk</td>
</tr>
<tr>
<td>2.5 There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.</td>
<td>☒ Low Risk</td>
</tr>
</tbody>
</table>
### Public Summary

<table>
<thead>
<tr>
<th>3. Wood harvested from forest in which high conservation values are threatened by management activities</th>
<th>Findings and Resources</th>
<th>Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>FSC Australia Controlled Wood Risk Assessment Matrix (FSC-CWRA-001-AUS) Version 1-0 finds all ecoregions in Australia have HCV, hence 3.2 applies. <a href="http://au.fsc.org/download.fsc-australia-controlled-wood-risk-assessment-matrix.67.htm">http://au.fsc.org/download.fsc-australia-controlled-wood-risk-assessment-matrix.67.htm</a></td>
<td>☑ Low Risk</td>
</tr>
</tbody>
</table>


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

<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>Findings and Resources</th>
<th>Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>The district of origin may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is present: [Note: the change from plantations to other land uses is not considered as conversion].</td>
<td>South Australia and Victoria are approved by FSC Australia Controlled Wood Risk Assessment Matrix (FSC-CWRA-001-AUS) Version 1-0. <a href="http://au.fsc.org/download.fsc-australia-controlled-wood-risk-assessment-matrix.67.htm">http://au.fsc.org/download.fsc-australia-controlled-wood-risk-assessment-matrix.67.htm</a></td>
<td>☑ Low Risk</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Wood from forests in which genetically modified trees are planted</th>
<th>Findings and Resources</th>
<th>Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
<td></td>
<td>☑ Low Risk</td>
</tr>
</tbody>
</table>
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According to FSC-STD-40-005 (V3-1) EN. Requirements for sourcing FSC® Controlled Wood - Woodchip Supply.

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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use OR</td>
<td></td>
<td>☑ Low Risk  ☐ Unspecified Risk</td>
</tr>
<tr>
<td>c) It is forbidden to use genetically modified trees commercially in the country concerned.</td>
<td></td>
<td>☑ Low Risk  ☐ Unspecified Risk</td>
</tr>
</tbody>
</table>
### Assessment of the suppliers HCV control systems

OFO has assessed the Supply Units (SUs) for the values identified in the FSC Australia HCV evaluation framework. These are listed below:

<table>
<thead>
<tr>
<th>Definition</th>
<th>Values</th>
<th>Information sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HCV 1.</strong> Forest areas containing globally, nationally and regionally significant concentrations of biodiversity values.</td>
<td>Areas that contain species that are rare, threatened or endangered, or contain centres of endemism.</td>
<td>SU Forest Management Plans.</td>
</tr>
<tr>
<td></td>
<td>Areas that contain species that are depleted or poorly reserved at the IBRA region scale.</td>
<td>FSC Australia directory of information sources.</td>
</tr>
<tr>
<td></td>
<td>Areas with mapped significant seasonal concentrations of species (e.g. migratory staging areas).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Areas of high species/communities diversity.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Refugia and mosaics.</td>
<td></td>
</tr>
<tr>
<td><strong>HCV 2.</strong> 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.</td>
<td>Landscape scale native forests that have experienced lesser levels of past human disturbance or other management (e.g. fire suppression), or areas within such forests.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Native forests that are rare at the regional or finer scale.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests recognized as being regionally significant at the bioregion or larger scale.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests that provide regionally significant habitat connectivity between larger forest areas or between refugia and mosaics.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Roadless areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests that haven't been affected by forest management activities</td>
<td></td>
</tr>
<tr>
<td><strong>HCV 3.</strong> Forest areas that are in or contain rare, threatened or endangered ecosystems.</td>
<td>Extant rainforests.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Areas for conservation of important genes or genetically distinct populations.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ecosystems that are depleted or poorly reserved at the IBRA bioregion scale.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Old growth forests.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Remnant vegetation in heavily cleared landscapes.</td>
<td></td>
</tr>
<tr>
<td><strong>HCV 4.</strong> Forest areas that provide basic services of nature in critical situations (e.g., watershed protection, erosion control).</td>
<td>Forests which provide protection from flooding.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests which provide protection from erosion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests which provide barriers from destructive fire</td>
<td></td>
</tr>
</tbody>
</table>

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2 Supply Unit – Forest with clearly defined boundaries that is managed to a set of forest management objectives. It includes all facilities and areas within or adjacent to these spatial areas that are under legal title or management control of, or operated by or on behalf of, the forest manager for the purpose of contributing to the management objectives.
**Public Summary**

*Critical situations encompass areas with highly erodible soils, areas with steep slopes, clean water and/or irrigation supply systems, areas which protect against flooding and vulnerable areas which support rare or endangered ecosystem functions.*

<table>
<thead>
<tr>
<th><em>FSC® Controlled Wood</em> - <em>Woodchip Supply.</em></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HCV 5. Forest areas fundamental to meeting basic needs of local communities (e.g., subsistence, health).</strong></td>
<td><strong>Forests which provide clean water catchments</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Unique/main sources of water for drinking and other daily uses</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Unique/main sources of water for the irrigation of food crops</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Food, medicines or fuel etc. for local consumption</strong></td>
</tr>
<tr>
<td><strong>HCV 6. Forest areas critical to local communities’ traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).</strong></td>
<td><strong>Aesthetic values</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Historic values</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Scientific values</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Social (including economic) values</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Spiritual values</strong></td>
</tr>
</tbody>
</table>
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**CONTROLLED WOOD RISK ASSESSMENT FOR HCVs SUPPLY ORIGIN**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Control Measures</th>
<th>Desired outcome of control measures</th>
<th>Ongoing monitoring of control measures</th>
<th>Risk Level</th>
</tr>
</thead>
</table>
| Taking wood from blocks that are not covered under the OFO Due Diligence System (DDS). | • Supply agreements are in place.  
• Only Radiata Pine is supplied to OFO.  
• OFO Controlled Wood Manual for Export Woodchips  
• Timber Harvest Plan and maps identify the specific compartment timber is harvested.  
• The actual compartment/source code is shown on docket / e.dockets that are completed for each load.  
• All log loads can be traced back to a compartment.  
• Supplier audits completed to check control measures are implemented. | • Only material enters the supply chain from blocks that are covered under the OFO DDS | • Check of log delivery documentation to confirm only material enters the supply chain from blocks that are not covered under the OFO DDS | Low Risk |
| Damage to HCVs while harvesting operations take place. | • Forest management plans have been developed undergone a stakeholder consultation process and is publically available.  
• HCVs are recognised and protected through the use of information recorded on GIS layers and maps and pre-operational site inspections.  
• Prescriptions for protecting HCVs are set by specialist planners using available information and research.  
• Site inspections are used to ground truth the information obtained. Actual HCVs and the control measures to protect them are included in harvest/operational plans.  
• Summer and winter logging areas are utilised to avoid excessive soil disturbance and soil / water run off and mixing. There are stringent requirements in SA and Vic forest codes.  
• Primary suppliers train staff and contractors to ensure there is an understanding of actual and potential (unmapped) HCVs.  
• Inductions are undertaken to the harvest plans to ensure prescriptions and control measures for HCVs are communicated, understood and implemented.  
• Harvesting operations are monitored by the supplier.  
• Supply agreements in place to ensure HCVs are not threatened by suppliers harvesting activities.  
• Third party log suppliers complete an FSC Controlled Wood owner/agent declaration form. | • Compliance with required prescriptions and control measures  
• Identified HCV's are protected during forest operations. | • OFO undertake audits of primary suppliers to verify the control measures have been implemented and are effective. | Low Risk |
## CONTROLLED WOOD RISK OF MIXING NON-ELIGIBLE INPUTS IN THE SUPPLY CHAIN

<table>
<thead>
<tr>
<th>Step</th>
<th>Risk Identification</th>
<th>Risk Control Measures</th>
<th>Desired outcome of control measures</th>
<th>Ongoing monitoring of control measures</th>
<th>Risk Level</th>
</tr>
</thead>
</table>
| Harvest of logs | Taking wood from sources that are not covered under the OFO Due Diligence System (DDS). | • Only Radiata Pine is supplied to OFO.  
• OFO Controlled Wood Manual for Export Woodchips  
• Timber Harvest Plan and maps identify the specific compartment timber is harvested from.  
• Check of log delivery documentation to confirm no ineligible material enters the supply chain.  
• Supplier audits completed to check control measures are implemented. | • Only material enters the supply chain from sources that are covered under the OFO DDS | • OFO undertake audits of primary and sub suppliers to verify the control measures have been implemented and are effective. | No risk |
| Transport of logs to Sawmill / Chipper | Logs not covered by DDS entering the supply chain during loading and transport. | • OFO Controlled Wood Manual for Export Woodchips  
• Source code is used to trace each load to the forest compartment of origin.  
• A manual or e-docket is completed for all loads.  
• Geo-fence is used where e-docket system is in place for the specific compartment that logs are sourced from.  
• Logs are transported directly from forest to sawmill/chipper site.  
• Export Woodchip Chain of Custody Annual Supplier Questionnaire completed by all log suppliers and third party chip suppliers. This includes a list of log suppliers that supply them.  
• Chip supplier supply agreements are in place and require compliance to stipulated FSC requirements.  
• Third party chip suppliers having FSC Chain of Custody certification provide OFO with a copy of their FSC CoC certificate. | • Only material enters the supply chain from sources that are covered under the OFO DDS | • OFO undertake audits of primary and sub suppliers to verify the control measures have been implemented and are effective. | No risk |
| Storage and processing of logs at Sawmill / Chipper | Logs not covered by DDS entering the supply chain during storage or processing. | Check of log delivery documentation to confirm no ineligible material enters the supply chain. | OFO Controlled Wood Manual for Export Woodchips | Only material enters the supply chain from sources that are covered under the OFO DDS | OFO undertake audits of primary and sub suppliers to verify the control measures have been implemented and are effective. | OFO undertake audits of subcontractors. | No risk |
| Storage of export woodchips prior to transport to Portland | Woodchip not covered by DDS entering the supply chain during storage at the processing facility. | OFO Controlled Wood Manual for Export Woodchips | Woodchip is stored in overhead bins or designated bunds / pads. Physical barriers or separation is utilised to ensure no mixing of non-eligible material. | Only material enters the supply chain from sources that are covered under the OFO DDS | OFO undertake audits of primary and sub suppliers to verify the control measures have been implemented and are effective. | No risk |
| Haulage of chips | Woodchips from sources that are not covered under the Due Diligence System. | OFO Controlled Wood Manual for Export Woodchips | A manual docket is used for each load of woodchips. Loads of woodchips can be traced to place of origin to determine material input eligibility (either sawmill and/or SU). | Only material enters the supply chain from sources that are covered under the OFO DDS | OFO undertake audits of primary and sub suppliers to verify the control measures have been implemented and are effective. | No risk |
| Receival of | | OFO Controlled Wood Manual for Export Woodchips | Only material enters the supply chain from sources that are covered under the OFO DDS | OFO undertake audits of primary and sub suppliers to verify the control measures have been implemented and are effective. | No risk |
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<table>
<thead>
<tr>
<th>woodchip Stockpile management at Portland</th>
<th>Export Woodchips</th>
<th>the supply chain from blocks that are covered under the OFO DDS</th>
<th>audits of primary and sub suppliers to verify the control measures have been implemented and are effective.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Only trucks that are haul woodchips for suppliers that are included in the Approved Woodchip Supplier Register are certified for use of the softwood chip receival facility at GrainCorp.</td>
<td></td>
<td>• OFO undertake audits of subcontractors.</td>
</tr>
<tr>
<td></td>
<td>• Certified trucks delivering chip to the softwood chip receival facility at GrainCorp are registered in the GrainCorp Softwood Receival System and issued a truck specific Dallas key.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Truck drivers are inducted and issued with a port pass before being allowed to enter the Port of Portland.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Truck drivers are inducted to the GrainCorp site and trained to deliver softwood chips to the GrainCorp softwood receival facility.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• All loads delivered to the GrainCorp Softwood Receival Facility must enter via the weighbridge. The load SOURCE code is entered at the weighbridge.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Weighbridge downloads are reconciled with dockets.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The OFO softwood chip stockpile is contained in a shed with only 2 dozer/loader access points. One entrance leads to a cement pad and the other is connected to an outside woodchip stockpile via a sacrificial layer of chip that is laid down between OFO stockpile and neighbour’s stockpile for the bulldozer to travel on. The sacrificial layer of chip between stockpiles is not loaded on woodchip vessel and is considered waste.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The unloading facility and storage she is inspected to ensure there is no mixing of non-eligible material.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ship loading</th>
<th>Export woodchips are loaded from the OFO stockpile as per GrainCorp</th>
<th>Only material enters the supply chain from</th>
<th>OFO undertake audits of primary and sub suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No risk</td>
<td></td>
</tr>
</tbody>
</table>
OneFortyOne Wood Products Pty Ltd: Due Diligence System
According to FSC-STD-40-005 (V3-1) EN. Requirements for sourcing FSC® Controlled Wood - Woodchip Supply.

**Public Summary**

<table>
<thead>
<tr>
<th>Procedures</th>
<th>Blocks that are covered under the OFO DDS</th>
<th>Sub suppliers to verify the control measures have been implemented and are effective.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicated conveyors are used to transport the woodchip to the ship loader.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-shipping woodchip flow path inspection is completed and ensures there is no mixing of non-eligible material.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OFO undertake audits of subcontractors.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
OneFortyOne Wood Products Pty Ltd: Due Diligence System  
According to FSC-STD-40-005 (V3-1) EN. Requirements for sourcing FSC® Controlled Wood - Woodchip Supply.  
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Summary and rationale for Supply Area, Supply Units and Supplier Audits

The 2018 supply chain contains 5 sawmills producing woodchips as a manufacturing co-product and 1 in-field chipping operation. 2 supply areas containing 7 supplier sets with a total of 21 SUs were identified that supply logs to the 5 sawmills and in-field chipper. SUs are classified by similar forest type, geographical location, management control and ownership according to the following table. Maps identifying the Green Triangle and Mount Lofty Ranges regions are appended to this document. The management company undertakes ongoing monitoring of the control measures for each supply unit. OFO undertake annual supplier audits, to review the implementation of control of HCVs measured against the FSC Australia HCV evaluation framework and the controls to ensure non-eligible material is not mixed with controlled material.

<table>
<thead>
<tr>
<th>Forest Type</th>
<th>Geographical Location (supply area)</th>
<th>Management Company</th>
<th>Entity Owning Supply Unit</th>
<th>Supply Unit Name / Identification</th>
<th>Number of Hectares</th>
<th>Qualifies as SLIMF?</th>
<th>Selected for Supplier Audit?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radiata pine plantations</td>
<td>Mount Lofty Ranges</td>
<td>ForestrySA</td>
<td>1. Mount Lofty Ranges forest</td>
<td>19,500ha</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Various private owners</td>
<td>2. –3. ForestrySA farm forestry woodlots</td>
<td>2 woodlots each &lt;100ha</td>
<td>Yes</td>
<td>Yes x 2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Green Triangle</td>
<td>OneFortyOne Plantations</td>
<td>4. Mount Burr forest</td>
<td>38,300ha</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Various private owners</td>
<td>5. Mount Gambier forest</td>
<td>37,100ha</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. Penola forest</td>
<td></td>
<td>28,600ha</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>
|                           | Hancock Victorian Plantations       | GTFP                        | 7. GTFP forests            | 22,000ha                             | No                | Yes x 2            
|                           |                                     | Various private owners      | 8. – 13. GTFP farm forestry woodlots | 6 woodlots each <100ha               | Yes               | Yes x 2            |
|                           | Timberlands Pacific (TPPL)          | HVP                         | 14. South West district forests | 24,300ha                             | No                | No (FSC certified SU) |
|                           | Wokurna/Whiteheads                 | New Forests                | 15. Green Triangle Forest Trust forests | 41,900ha                             | No                | No (FSC certified SU) |
|                           | NF McDonnell & Sons                | Various private owners      | 16. - 20 Farm Forestry Woodlots | 5 woodlots each <100ha               | Yes               | Yes all           |
|                           |                                     |                             | 21. Farm Forestry Woodlots | 0 woodlots <100ha                    | Yes               | No (FSC CoC Certified) |
The number of harvesting sites to be audited is based on the following:

1. ForestrySA managed forests within the Mount Lofty Ranges region. 1 SU (Mt Lofty Ranges forest). ForestrySA have a management plan for this.
2. Farm forestry woodlots within the Mount Lofty Ranges region managed by ForestrySA. Based on 2017 wood supply year there were 2 SUs in this set.
3. OneFortyOne Plantations forests within the Green Triangle region. 3 SUs (Mt Burr forest, Mt Gambier forest, Penola forest). OneFortyOne have a management plan covering each.
4. GTFP forests. 1 SU. GTFP have plantations located in the states of South Australia and Victoria. Statutory requirements regarding forest management in each state are slightly different. Due to this distinction it was decided to conduct 2 supplier audits – one in each state. GTFP have a management plan for this SU.
5. Farm forestry woodlots within the Green Triangle region managed by GTFP. Based on 2017 wood supply year there were 6 SUs in this set.
6. HVP forests. 1 FSC certified SU. Excluded from supplier audits due to FSC Advice 40-004-12.  
7. Timberlands Pacific forests. 1 FSC certified SU. Excluded from supplier audits due to FSC Advice 40-004-12.
8. N.F. McDonnell. SUs made of separate small low intensity managed forests blocks (SLIMF) have no forest certification. N.F. McDonnell has FSC CoC certification and has its own due diligence system in place. Excluded from supplier audits due to FSC Advice 40-004-12.
9. Wokurna/Whiteheads. SUs made of separate small low intensity managed forests blocks (SLIMF) have no forest certification. OFO will undertake supplier audits on all Wokurna/Whiteheads SUs to verify compliance with the requirements of FSC-STD-40-005 V3.0.

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1 ADVICE-40-004-12. Verification of controlled input materials relating to FSC-STD-40-005 V2-1 Clauses 3.1, 3.2 and 3.3.1 has been through consultation. This says that provided there is verification of the origin of input materials, material that originally comes from FSC certified sources but has lost their FSC-certified status due to a break in the chain of custody may be classified as controlled material and be exempt from complying with the requirements of FSC-STD-40-005.

4 Wokurna/Whiteheads Farm Forestry Woodlots have no forest certification. CHH have decided to undertake supplier audits on all of these SUs to verify compliance with the requirements of FSC-STD-40-005.
SU managed by ForestrySA.

HCV 1. A comprehensive management plan for all forests managed by ForestrySA exists. This has undergone a stakeholder consultation process and is publically available. Forest areas containing native forests and HCV1 are identified in these plans. Most of these areas are also gazetted by the State Government giving them protected status and have their own management plans. FSA uses 3 land use classifications: General Zones for plantation pines, Transitional Zones for areas under restoration to native vegetation e.g. biodiversity corridors, and Conservation Zones for areas of protected native forests.

Assessment of habitats for the occurrence of rare or endangered species is done by specialists using survey work and existing sources (e.g. regional plans or publically available overlays). All information is recorded on GIS layers and maps used in all forestry operations. Prescriptions for management of rare and endangered species are set by specialist planners using available information and research.

Corridors to link areas containing HCV1 are being progressively established. These have been designed in consultation with stakeholders.

FSA is AS4708 (Australian Forestry Standard) certified which requires identification and management of significant biological diversity values.

Control measures verified by sighting plans, maps and certificates and confirmed practices during supplier audits.

HCV 2. No large natural landscape level forests exist within or adjacent to the SU. Conservation zones, with publically available management plans exist for small but regionally significant areas of remnant native vegetation contained within or adjacent to the SU. Most of these areas are gazetted by the State Government giving them protected status.

Confirmed by reference to estate level maps and management plans.

HCV 3. Remnant areas of native vegetation within or adjacent to the SU are identified in forest management plans and given conservation zone status. Most of these areas are also gazetted by the State Government giving them protected status.

Assessment of habitats for the occurrence of rare or endangered species is done by specialists using survey work and existing sources e.g. regional plans or publically available overlays. Rare and endangered flora and fauna species known to exist within the SU are identified in forest management plans. Information is presented recorded on GIS layers and maps used in all forestry operations. Prescriptions for management of rare and endangered species are set by specialist planners using available information and research.

FSA is AS4708 (Australian Forestry Standard) certified which requires identification and management of significant biological diversity values.

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5 https://www.forestry.sa.gov.au/
6 http://www.forestrystandard.org.au/find-certified/certified-forest-managers

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Control measures verified by sighting management plans, maps and confirmed operational practices during supplier audits.

**HCV 4.** Mandatory requirements (covered by various legislation) and guidelines relating to erosion control and water quality in South Australia are addressed in the "Guidelines for Plantations Forestry in South Australia 2009". Forest management plans reference these documents which are also reflected in operational plans.

Catchment management in the Mount Lofty Ranges SU, ForestrySA has an Environmental Performance Agreement with the South Australian Environment Protection Authority (EPA), which refers to the ForestrySA estate located in the Mount Lofty Ranges Water Protection Area (MLRWPA), regulating and monitoring herbicide use for the establishment of plantations and the following 2 years. An MOU with SA Water establishes a framework that enables ForestrySA to have ongoing access to nominated areas within the SA Water catchments for their commercial plantations. This covers aspects of forest management that could impact water quality.

FSA are AS4708 certified. AS4708 requires that forest management shall protect soil and water resources.

Control measures verified by sighting guidelines, agreements and management plans, operational plans and confirmed practices during supplier audits.

**HCV 5.** Local communities are not critically dependent on these SUs for their basic needs. There is an operating stakeholder database used for stakeholder engagement.

**HCV 6.** There are known aboriginal issues or cultural heritage sites in the SUs. These are referred to in forest management plans and are recorded in GIS layers and maps using data from the Aboriginal Affairs department. There are some post-colonial sites recognized under the Heritage Places Act 1993. There are state guidelines for both Aboriginal and post-colonial cultural heritage which are reflected in the forest management plans.

FSA are AS4708 certified. AS4708 requires that forest management shall protect and maintain for Indigenous and non-indigenous people, their natural, cultural, social, recreational, religious and spiritual heritage values.

Control measures verified by sighting guidelines, agreements and management plans, operational plans and confirmed practices during supplier audits.

**Farm forestry woodlot SUs managed by ForestrySA**

Farm forestry woodlot SUs managed by ForestrySA are within the Small Low Intensity Management (SLIMF) definition set by FSC (less than 100ha). ForestrySA manage the planning, harvesting and delivery of the logs to the SA Pine sawmill according to the process described for the ForestrySA SU. ForestrySA complete a OFO Controlled Wood Owner / Agent Declaration form which provides a mechanism by which small farm forestry plantation owners or their agents making private mill door sales can assess their wood material as meeting the FSC requirements for Controlled Wood.

Control measures verified by sighting plans, maps and confirmed practices during supplier audits.
SU managed by OneFortyOne.
HCV 1. A comprehensive management plan for all forests managed by OneFortyOne (OFO) exists. This has undergone a stakeholder consultation process and is publicly available. Forest areas containing native forests and HCV1 are identified in the plan. Most of the areas are also gazetted by the State Government giving them protected status and have their own management plans. OFO uses 3 land use classifications: General Zones for plantation pines, Transitional Zones for areas under restoration to native vegetation e.g. biodiversity corridors, and Conservation Zones for areas of protected native forests.

Assessment of habitats for the occurrence of rare or endangered species is done by specialists using survey work and existing sources (e.g. regional plans or publically available overlays). All information is recorded on GIS layers and maps used in all forestry operations. Prescriptions for management of rare and endangered species are set by specialist planners using available information and research.

Corridors to link areas containing HCV1 are being progressively established. These have been designed in consultation with stakeholders.

OFO is AS4708 (Australian Forestry Standard) certified which requires identification and management of significant biological diversity values.

Control measures verified by sighting plans, maps and certificates and confirmed practices during supplier audits.

HCV 2. No large natural landscape level forests exist within or adjacent to the SU. Conservation zones, with publically available management plans exist for small but regionally significant areas of remnant native vegetation contained within or adjacent to the SU. Most of these areas are gazetted by the State Government giving them protected status.

Confirmed by reference to estate level maps and management plan.

HCV 3. Remnant areas of native vegetation within or adjacent to the SU are identified in forest management plans and given conservation zone status. Most of these areas are also gazetted by the State Government giving them protected status.

Assessment of habitats for the occurrence of rare or endangered species is done by specialists using survey work and existing sources e.g. regional plans or publically available overlays. Rare and endangered flora and fauna species known to exist within the SU are identified in forest management plans. Information is presented recorded on GIS layers and maps used in all forestry operations. Prescriptions for management of rare and endangered species are set by specialist planners using available information and research.

OFO is AS4708 (Australian Forestry Standard) certified which requires identification and management of significant biological diversity values.

Control measures verified by sighting management plans, maps and confirmed practices during supplier audits.

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**HCV 4.** Mandatory requirements (covered by various legislation) and guidelines relating to erosion control and water quality in South Australia are addressed in the “Guidelines for Plantations Forestry in South Australia 2009”. The “Code of Practice for Timber Production 2014” addresses these requirements in Victoria. Forest management plans reference these documents which are also reflected in operational plans.

SUs within the Green Triangle are considered to be in a low-moderate erosion risk area. Water supply in the Green Triangle is from groundwater catchments managed by state level Natural Resource Management plans.

OFO are AS4708 certified. AS4708 requires that forest management shall protect soil and water resources.

*Control measures verified by sighting guidelines, agreements and management plans, operational plans and confirmed practices during supplier audits.*

**HCV 5.** Local communities are not critically dependent on these SUs for their basic needs. There is an operating stakeholder database used for stakeholder engagement.

**HCV 6.** There are known aboriginal issues or cultural heritage sites in the SUs. These are referred to in forest management plans and are recorded in GIS layers and maps using data from the Aboriginal Affairs department. There are some post-colonial sites recognized under the Heritage Places Act 1993. There are state guidelines for both Aboriginal and post-colonial cultural heritage which are reflected in the forest management plans.

OFO are AS4708 certified. AS4708 requires that forest management shall protect and maintain for Indigenous and non-indigenous people, their natural, cultural, social, recreational, religious and spiritual heritage values.

*Control measures verified by sighting guidelines, agreements and management plans, operational plans and confirmed practices during supplier audits.*

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SU managed by GTFP

HCV 1. A comprehensive management plan for all forests managed by Green Triangle Forest Products (GTFP) exists. This has undergone a stakeholder consultation process and is publically available. GTFP is AS4708 (Australian Forestry Standard) certified which requires identification and management of significant biological diversity values. Forest areas containing native forests and HCV1 are identified in forest management plans. There are existing management plans for Biodiversity Priority Areas. Before each harvest of GTFP forest compartments an assessment is conducted using Special Consideration layers in GIS as well as the “GTFP – Special Values Procedure” which reference publically available data and specialist advice recommending controls for the values found. The results are recorded on the “Special Values Assessment Form.” This sheet is incorporated into the Work plan. All “Special Value” controls are contained in a risk register which is incorporated into the GIS mapping layers.

Potential endangered species are identified through the DEWNR overlays (SA) and the DEWLP maps (Victoria) and site visits

Control measures verified by sighting plans and maps and confirmed practices during supplier audits.

HCV 2. No large natural landscape level forests exist within, or contain the SU. Parks containing remnant native vegetation exist adjacent to the SU in some cases. These are identified in management plans and maps. Buffer zones separate the SU from these areas.

Confirmed by reference to estate level maps and management plans.

HCV 3. GTFP is AS4708 (Australian Forestry Standard) certified which requires identification and management of significant biological diversity values. Forest areas containing native forests and HCV3 are identified in management plans. There are existing management plans for Biodiversity Priority Areas. Before each harvest of GTFP forest compartments an assessment is conducted using Special Consideration layers in GIS as well as the “GTFP – Special Values Procedure” which reference publically available data and specialist advice recommending controls for the values found. The results are recorded on the “Special Values Assessment Form.” This sheet is incorporated into the Work plan. All “Special Value” controls are contained in a risk register which is incorporated into the GIS mapping layers.

Potential endangered ecosystems are identified through the DEWNR overlays (SA) and the DELWP maps (Victoria) and site visits.

Control measures verified by sighting plans and maps and confirmed practices during supplier audit.

HCV 4. The Code of Practice for Timber Production 2014, Department of Environment, Land, Water and Planning, Victoria and Guidelines for Plantation Forestry in South Australia (2009), Primary Industries and Resources SA, are key documents which GTFP use to manage HCV4. These contain mandatory requirements and industry guidelines for the management of watershed protection and erosion control within the States of Victoria and South Australia. GTFP apply the more onerous of the requirements specified in these documents so their estate is managed to the same high standard and in a manner ensuring all requirements are being met irrespective of the state they are working in.

GTFP are AS4708 certified. AS4708 requires that forest management shall protect soil and water resources.

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There are many legislative requirements that are relevant to HCV4 which GTFP must comply with. For example: EPA Acts SA & Vic, NRM Act SA and Catchment and Land Protection Act Vic.

The operational plans consist of a “Harvest Planning Checklist” and a “Harvesting Work Plan”. Implementation of the controls listed to manage each risk control are checked in-field and signed off to verify they have been implemented and effective. If not effective in managing risk, they are modified and any changes made reflected in QA checks and harvest visit records.

Surface water is identified by GIS maps and aerial photos. In Victoria water quality is governed by the local government (Glenelg Shire) under the Victorian Code of Practice. In SA it is governed by South East Natural Resource Management Board.

There is a procedure for winter and summer logging to avoid erosion of wet soil and vehicles getting bogged.

Control measures verified by sighting plans and maps and confirmed practices during supplier audit.

HCV 5. Local communities are not critically dependent on the SU for their basic needs. GTFP have a “Stakeholder Register” with discussions recorded. Neighbour communications regarding harvesting activities are also captured in this register.

HCV 6.

The “GTFP – Special Values Procedure” also covers cultural heritage. Indigenous and non-indigenous heritage sites are captured within the GIS as “Special Considerations”. The risk and controls as well as reference to the individual management plans (where applicable) form part of the attribute data. These sites appear on compartment work plan maps attached to the “Harvesting Work Plan”.

GTFP are AS4708 certified. AS4708 requires that forest management shall protect and maintain for Indigenous and non-indigenous people, their natural, cultural, social, recreational, religious and spiritual heritage values.

Control measures verified by sighting the forest harvesting plans.

Farm forestry woodlot SUs managed by GTFP

Farm forestry woodlot SUs managed by GTFP are within the Small Low Intensity Management (SLIMF) definition set by FSC (less than 100ha). GTFP manage the planning, harvesting and delivery of the logs to the OFO sawmill according to the process described for the GTFP SU. GTFP complete a OFO Controlled Wood Owner / Agent Declaration form which provides a mechanism by which small farm forestry plantation owners or their agents making private mill door sales can assess their wood material as meeting the FSC requirements for Controlled Wood.

Control measures verified by sighting plans, maps and confirmed practices during supplier audits.
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**SU managed by Timberlands Pacific Pty Ltd (TPPL)**
Management of HCV is detailed in two publically available documents as part of TPPLs FSC certification:

- Special Values Management Plan GTFT estate
  

- GTFT Cultural Heritage Management Plan.
  

TPPL are FSC certified, Certificate Code – SCS-FM/COC-004554. TPPL have confirmed they do not trade logs sourced from private woodlots in the Green Triangle.

**SU managed by HVP**
Management of HCV is detailed in a publically available document as part of HVPs FSC certification:

- Management Plan High Conservation Forests 2010
  

HVP are FSC certified, Certificate Code – RA-FM/COC-001128. HVP have confirmed they do not trade logs sourced from private woodlots in the Green Triangle.

**Farm forestry woodlot SUs managed by Wokurna/Whiteheads**
Farm forestry woodlot SUs managed by Wokurna/Whiteheads are within the Small Low Intensity Management (SLIMF) definition set by FSC (less than 100ha). Wokurna/Whiteheads manage the planning, harvesting and delivery of the logs to the Whitehead sawmill and use discussions/resources with large corporate plantation managers, adjoining landowners and statutory bodies to gather relevant information.

**HCV 1.** Forest areas containing habitat for national or state-listed threatened species or species of high significance.

SLIMF are small plantations, generally in and around highly modified farmed land with little or no native vegetation. Hence the likelihood of RTE species being present the SLIMF Pinus radiata is very low. If values are present, they are more likely to be associated with native vegetation in the surrounding area. Regardless of the low risk, the following steps are taken:

The owner declares any known sites with RTE species.

Non plantation areas such as native vegetation are shown on a site map.
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As a precaution any areas of native vegetation adjoining each SU are excluded from the harvest operation regardless of the presence or absence of RTE species.

**HCV 2.** Forest areas containing 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.

SLIMF are small scattered plantations in and around farmed land. There are no large landscape level forest considerations at the SU level.

**HCV 3.** Forest areas that are in or contain rare, threatened or endangered ecosystems.

The same process as HCV 1 applies

**HCV 4.** Forest areas that provide basic services of nature in critical situations such as slope, erosion control, water catchment.

THP requirements are followed in accordance with the state code of practice for forestry. This includes management constraints such as:

- Riparian zones are excluded from disturbance during harvest.
- Creek lines are kept free of activity or debris.
- For erosion control roading is maintained and drainage is maintained.
- Stream crossing is only at designated points.
- In wet periods there are restrictions on harvesting or delivery to minimise turbid run off into drainage lines and erosion.

Where SLIMF Pinus radiata is generally grown on low quality sandy soils with flat terrain, the presence of water courses and associated riparian vegetation is extremely rare, and runoff or erosion hazards negligible.

**HCV 5.** Forest areas fundamental to meeting basic needs of local communities (water, food, firewood, shelter, income) with no readily available alternative.

The provisions for HCV5 are not applicable. SLIMF Pinus radiata is grown on private land and purchase of logs is done with the approval of the plantation owner. There is no community reliance on such small privately owned plantations for shelter or fuel wood.

**HCV 6.** Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities)

SLIMF may be located on land with some cultural or heritage values, so the owner is asked to declare any known heritage sites. Publicly available databases are also interrogated for the presence of Heritage sites for audit or THP purposes. If sites or artifacts are found during activities the SLIMF owner or agent will contact the appropriate authority and follow their instructions.
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Control measures verified by sighting plans, maps and confirming practices during supplier audits and discussions with forest managers.

Farm forestry woodlot SUs managed by N.F. McDonnell
Farm forestry woodlot SUs managed by N.F. McDonnell are within the Small Low Intensity Management (SLIMF) definition set by FSC (less than 100ha). N.F. McDonnell manage the planning, harvesting and delivery of the logs to the N.F. McDonnell sawmill and use discussions/resources with large corporate plantation managers, adjoining landowners and statutory bodies to gather relevant information. N.F. McDonnell has FSC CW/CoC certification and has its own due diligence system in place. Excluded from supplier audits due to FSC Advice 40-004-12.

Stakeholder Consultation
OFO undertake consultation with the identified affected and interested stakeholders in relation to OFO Controlled Wood DDS. Stakeholders include those representing the following:
- Economic, Social and Environmental interests (including NGOs and local indigenous representatives),
- FSC accredited certification bodies active in Australia,
- National and state forest agencies,
- Experts with expertise in FSC controlled wood categories,
- Research institutes and universities, and
- FSC regional offices, FSC network partners, registered standard development groups and NRA working groups in the region.

The Stakeholder Register lists current stakeholders and comments which OFO have received are recorded. Stakeholders are consulted on the DDS before it is implemented and if anything substantial changes.

The latest consultation period commenced April 6th 2018 and stakeholders have 6 weeks to respond.

Summary of the feedback received from February 2017 and OFO response to the individual stakeholders.

<table>
<thead>
<tr>
<th>Stakeholder category</th>
<th>Respondents</th>
<th>Comment received</th>
<th>How comments were taken into account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local government</td>
<td>3</td>
<td>All responded with acknowledgement of receipt of DDS, but had not additional comments.</td>
<td>Stakeholder consultation register updated.</td>
</tr>
<tr>
<td>Supplier</td>
<td>1</td>
<td>One forestry company provided an update of the systems for managing HCVs and expert advice in relation to risk control measures.</td>
<td>The OFO DDS has been updated to reflect these changes. Stakeholder consultation register updated.</td>
</tr>
<tr>
<td>State government</td>
<td>1</td>
<td>Acknowledged receipt of DDS, but had not specific comments.</td>
<td>Stakeholder consultation register updated.</td>
</tr>
<tr>
<td>NGO</td>
<td>1</td>
<td>Update provided for the contact person for the organization.</td>
<td>The stakeholder register has been updated with the relevant contact person. Stakeholder consultation register updated.</td>
</tr>
</tbody>
</table>
OFO completed 14 supplier audits covering the Green Triangle and Mount Lofty Ranges. There were no cases of the DDS being ineffective.

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). All of these were selected for their expertise and meet the requirements of Annex 3.

OFO has not received any complaints regarding the DDS. Complaints regarding the OFO DDS can be made to – Darren Sims – Head of Finance and Commercial, at Darren.Sims@onefortyone.com. To ensure complaints can be investigated and addressed OFO require as much information as possible regarding the nature of the complaint is provided.

All complaints are handled according to OFO’s Dispute and Issues Resolution Procedure.

Identify how the dispute or issue came to our attention
e.g. via the Complainant, a State authority Local Government, Certifier etc. These agencies may be an interested or affected party, may have notified OneFortyOne of the issue, or may act as a proxy for the affected party.

Identify the complainant
Identification of a complainant may not always be possible. State and local authorities do not have to pass on the identity of the complainant. A proxy may also notify OneFortyOne of a complaint.
Find out if the complainant is an affected Individual or group or an interested party
Parties bringing a complaint (i.e. the complainants) will be either affected parties or interested parties for the purposes of the dispute. OneFortyOne will always be an affected party in any dispute involving OneFortyOne. If a dispute is resolved between the other affected party(ies) and OneFortyOne the dispute is considered resolved for the purposes of this procedure.

Acknowledge receipt of complaint
Receipt of the complaint will be acknowledged to the complainant and/or proxy. The complainant and/or proxy will be informed of the complaints procedure within two weeks from the date of the complaint.

Identify what the dispute is about
Where possible, document the nature of the dispute and confirm it with the complainant and/or proxy in writing.

Refer the dispute to the right person or body if is it not our Issue
Complaints may mistakenly be made to OneFortyOne. In such instances they should be referred to the proper body and a record kept using the (complaints) form.

Meet with the parties and attempt to resolve the dispute
An assessment of evidence and a meeting with the parties to the dispute occurs within 2 weeks of being made formally aware of the dispute eg receipt of a written complaint or the date a verbal complaint was made to an officer of the company, normally the Finance Manager – Operations. In most cases a simple meeting may resolve the dispute. If so, the resolution needs to be recorded on the Complaint Form.
In some cases more information will need to be gathered and more than one meeting may be necessary.

Resolve disputes at the lowest possible level
In all cases disputes should be resolved at the lowest possible level, preferably by discussions between the parties. Failure to do this may escalate the dispute.

Record participation and non-participation
Once a party has been identified as an affected or an interested party then they should participate in the process until its conclusion.
Parties may wish to participate by using a nominated proxy.
If the complainant refuses to participate in the process then OneFortyOne should make every attempt to engage them. If this is not successful there must be a record of non-participation made.

Respect natural justice
In any dispute resolution OneFortyOne will respect the principles of Natural Justice, ie the right of both parties in a dispute to be heard and listened to.
OneFortyOne will respond to any and all complaints and allow the complainant to respond in turn. All such responses by OneFortyOne or the complaint will be recorded.

Refer unresolved disputes to management
If this stage is reached, in the first instance the matter needs to be discussed with OneFortyOne Management who will decide the next step.
Forwarding complaints relating to risk designations
All complaints relating to risk designations in the relevant FSC risk assessment, will be forwarded to the certification body and FSC Australia.

Assessment
A preliminary assessment will be undertaken to determine whether evidence provided in a complaint is or is not substantial, by assessing the evidence provided against the risk of using material from unacceptable sources.

Substantial complaints
OneFortyOne will undertake a verification process (e.g. field verification and/or desk verification) for a complaint assessed as substantial within two months of their receipt. Information is gathered to determine the cause of complaints. If a complaint regarding material coming from controversial sources is substantiated, OFO will undertake a review of the FSC Controlled Wood DDS risk assessments. Corrective action to be taken by the suppliers, and the means to enforce its implementation by a supplier if a complaint has been assessed and verified as substantial. Corrective actions will be assessed to determine their effectiveness in addressing substantial complaints. If corrective actions cannot be determined, enforced or are not effective, the relevant material and/or suppliers will be excluded. The complainant and/or proxy, the certification body and FSC Australia and/or PEFC Australia will be informed of the decision and corrective and preventative actions that are to be taken towards its resolution. All complaints received and actions taken will be recorded and filed. Copies of the relevant correspondence will be maintained.

Precautionary approach
A precautionary approach will be employed toward sourcing of the relevant material while a complaint is pending.

Advise the certifier
Substantial complaints will be forwarded to the certification body and FSC Australia or PEFC Australia, within 2 weeks of receiving the complaint. Information on the steps to be taken by OneFortyOne in order to resolve the complaint, as well as how a precautionary approach will be used shall be included with the complaint.

For any disputes related to any issue under the FSC controlled wood standard FSC-STD-40-005 V3 or PEFC ST 2002:2013, the certification body needs to be informed at the beginning of the dispute. At the next audit the certification body must be advised of the resolution or current status of the dispute.
Disputes that OneFortyOne deems to be frivolous or vexatious will be dealt with as per any other dispute but the certification body must be advised by OneFortyOne of the background in such cases.
Any apparent conflict of interest from any party making the disputes or attempts to extract commercial or other leverage must be declared in the advice to the certifier for their consideration.
Note that FSC consider that a complainant is expected to have made a reasonable attempt to raise or resolve the dispute with the forest manager either directly or via a proxy, e.g. by speaking or writing to the forest manager, before escalating it to a complaint to the certification body.

Alternate Dispute Resolution Processes
A key principle of the FSC Australia dispute resolution process is that every effort should be made to resolve a dispute at the lowest possible level. For intractable or long standing disputes OneFortyOne will explore other avenues of alternate dispute resolution.

Negotiation
Negotiation should ALWAYS be tried first.
At its most basic, negotiation is an informal bargaining process. It takes place directly between the people in dispute, but can be assisted by others e.g. lawyers or advocates. The people involved in the dispute communicate directly to try and reach an agreement. Communication may be written or spoken and
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may take some time. Effective negotiators know that it is hard to reach an agreement unless everyone feels they get some benefit (a 'win-win' situation). Negotiation is a good first step for almost any type of dispute. However, if negotiation fails, other more formal types of dispute resolution may be appropriate.

Mediation
Mediation is a process in which a neutral person (the mediator) helps people to negotiate with each other and resolve their dispute. Mediation is confidential, and can only work if:
- Everyone is prepared to work towards a resolution
- Everyone involved in the dispute comes together for a face-to-face meeting
- The mediator runs the process and the people in dispute decide what they want to talk about
- The mediator helps identify issues and possible options
- The people in dispute work out a solution with the help of the mediator
- Mediators don't impose a decision

Mediation can be used when individuals in the process have a clear conflict with one another.

Facilitation
Facilitation is like mediation, but is used for groups that are in conflict. A neutral person (the facilitator) helps the people involved negotiate with one another and come to some agreement. The process involves:
- Everyone involved comes to one, or several meetings, run by the facilitator
- The facilitator helps to identify problems to be solved and tasks to be accomplished
- Facilitators don't impose a decision
- The people at the meeting make a group decision on actions and outcomes

Facilitation can be used to avoid a dispute by providing a forum for different points of view to be discussed.
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