Public Summary of Softwood Plantation Exporters (SPE)

Due Diligence System – 2019/2020

SPE are required to provide to their certification body a written summary of their due diligence system (DDS) with the following information:

**Description of Supply Area**

SPE have sourced wood from Victoria. The forest material supplies the SPE chipmill facility located at Geelong, Victoria.

Controlled material is being supplied by the following non-FSC suppliers:

- AKD managed forests – roundwood from Victoria
- Central Highlands Water – roundwood from Victoria
- Various smallholders – roundwood from Victoria <100ha

**Risk Designation for the Origin**

VICTORIA: LOW risk for controlled wood categories 1, 2, 4, 5 and UNSPECIFIED risk for category 3 where high conservation values are threatened by management activities.

**Applicable Risk Assessment for the Origin**

Australia has one risk assessment referred to as an ‘old’ National Risk Assessment FSC-CWRA-001-AUS v1 2009. This is available through the FSC Australia website.

**Risk Assessment for Mixing Material with Unacceptable Sources**

SPE are required to undertake a risk assessment to assess the risk of controlled material being mixed with unacceptable sources (controlled wood categories) in the supply chains during transport, processing and storage. Table 1 illustrates this risk assessment for suppliers and sub-suppliers.

**Table 1- Mixing risk assessment**

<table>
<thead>
<tr>
<th>Process</th>
<th>Risk</th>
<th>Risk Mitigation Measures</th>
<th>Evidence</th>
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</table>
| Transport of logs directly from forest (AKD, Central Highlands, small private growers) | LOW  | • All roundwood loads delivered to Geelong are transported directly from the forest and hauled to the SPE site.  
• Every harvest operation is authorised by SPE through the notification or issuance of a Harvest Operation Number (or equivalent). This identifies the contractors, the plantation, and the certification status. | Delivery Dockets with required information.  
Field verification audit reports. |
Pre-harvest Assessment or third-party HCV systems audit, as relevant.
- Field verification audits at supply unit.

Entry to the SPE facility

- Trucks can only enter the Geelong facility via the weighbridge after issuing a Dallas button for weighbridge identification.
- Upon entry to the weighbridge, the truck driver must enter details into the weighbridge computer, including the Harvest Operation Number (or equivalent).

Delivery Dockets with required information.
- Cross checking weighbridge data with hard copies.
- Product Receival and Loading procedure

Processing and storage at the SPE facility

- Only processing single plantation species.
- Producing woodchips – species can be identified
- Site controls and weighbridge procedures.

Product Receival and Loading procedure

Procedure for Filing Complaints:

Anybody with a complaint regarding SPE’s due diligence system can be made to John DeLorenzo
– SPE Manager

Email: john@spemanagement.com.au

Stakeholders shall include as much information regarding the nature of the complaint so that SPE is able to assess and respond. All complaints are handled according to SPE’s Controlled Wood Complaints Handling Procedure, which is available upon request and provided to a complainant as a matter of course.

Control Measures

As Victoria has unspecified risk for controlled wood category 3, SPE must implement risk mitigation measures. Table 2 is a summary of the control measures by risk assessment indicator.
Table 2 Risk Controls for Category 3-High Conservation Values are threatened by management activities.

<table>
<thead>
<tr>
<th>Risk Assessment Indicator (from Annex A FSC-STD-40-005)</th>
<th>Control Measure in Place</th>
<th>Desired Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Forest management activities in the relevant level (eco-region, sub-eco region, local) do not threaten ec-regionally significant high conservation values. Identifying and assessing HCVs.</td>
<td>1. SPE only sources plantation radiata pine so there is no risk that HCVs are being directly harvested.</td>
<td>SPE only accept radiata pine – an exotic planted species. Therefore, no HCV species will be harvested or delivered to SPE. Harvesting in plantations only so no harvesting where species concentrations are likely to occur.</td>
</tr>
<tr>
<td></td>
<td>2. HCV Systems Audit to determine measures in place to identify and protect HCV.</td>
<td>The supplier has a good system for identifying and protecting HCVs.</td>
</tr>
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<td>2. Pre-harvest Assessment.</td>
<td>The pre-harvest assessment confirms that planned management activities do not pose a threat to HCVs.</td>
</tr>
<tr>
<td>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs at the ecoregion. Strong stakeholder support</td>
<td>1. SPE only sources plantation radiata pine so there is no risk that HCVs are being directly harvested.</td>
<td>SPE only accept radiata pine – an exotic planted species.</td>
</tr>
<tr>
<td></td>
<td>2. Field Audits of Supply Units.</td>
<td>Field audits confirm identification of HCVs in-field and strong system of protection (e.g. machinery/vehicle exclusion from HCV areas; no refuelling close to native vegetation; no damage to retained native vegetation, fire suppression equipment). <strong>Field Verification Audit</strong></td>
</tr>
<tr>
<td></td>
<td>3. Harvest Plans.</td>
<td>All operations have a Timber Harvest Plan which identify HCVs and measures to protect them.</td>
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<td></td>
<td>4. Stakeholder consultation</td>
<td>Annual stakeholder consultations continue to confirm that management activities and SPE control measures are adequate at ensuring the long-term survival of HCVs at the ecoregion scale.</td>
</tr>
</tbody>
</table>
SPE has commenced a third round of stakeholder consultation in relation to controlled wood category 3 for suppliers of material from Victoria. This involved identifying relevant stakeholders and sending direct emails with a link to a survey. The survey including the results of the assessments made by SPE on their suppliers and their systems for identifying and protecting HCVs. The consultation relates to the forest management activities of its suppliers for 2019/2020. Stakeholders were asked specific questions in the survey and asked to provide comments or feedback within 6 weeks. This consultation period expires on 17/05/2019.

The following stakeholder groups were contacted:

<table>
<thead>
<tr>
<th>Economic Interests</th>
<th>HVP; AKD Softwoods; Central Highlands Water; Midway Ltd; Australian Bluegum Plantations</th>
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</thead>
<tbody>
<tr>
<td>Social Interests</td>
<td>Wathaurung Aboriginal Corporation; Moorabool Shire;</td>
</tr>
<tr>
<td>Environmental Interests</td>
<td>Corangamite Catchment Management Authority; Leigh Catchment Landcare; Sue Harris Environmental Consultant Corangamite CMA; DENR; Nature Glenelg Trust; Environment Victoria</td>
</tr>
<tr>
<td>FSC regional office</td>
<td>FSC Australia</td>
</tr>
</tbody>
</table>

Results of this consultation are pending.

The results of the 2018/2019 stakeholder consultation were positive and did not require any action by SPE to address other than to thank the stakeholder for their comments.

**Expert Engagement**

SPE engaged Sue Harris, an environment consultant to provide expert opinion on control measures for unspecified risk for category 3. Sue’s qualifications include a Bachelor Forest Science and over 30 years’ experience in environmental and forest science roles. Sue was asked to provide her opinion on the adequacy of the control measures that SPE is implementing to mitigate the risk of sourcing material from category 3. Sue’s response confirmed that the control measures implemented by SPE are adequate. Controls remain unchanged since the review.

**Verification Audits**

SPE has outsourced field verification audits in 2018 and 2019. One audit has been completed for AKD softwoods and no issues detected. Another audit is scheduled for AKD and Central Highlands in May 2019. There have been no small private suppliers in this last annual period.