

Public Summary of Associated Kiln Drying (AKD) Softwood Pty Ltd Due Diligence System - 2018

AKD 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: AKD have sourced wood from South Australia and Victoria only. The relevant bioregions for 2018 include Naracoorte Coastal Plains, Southern Volcanic Plain, South Eastern Highlands, South East Coastal Plain, and Victorian Midlands. Suppliers include OneFortyOne, GTFP, AKD Softwoods, and other small private plantations harvested under the management control of AKD Softwoods.

Risk Designation: LOW risk for South Australia and Victoria 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: 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.

In addition, all organisations must align their DDS to Category 1 (illegally harvested wood) of FSC-CNRA-AUv1.0 (draft May 2017) in accordance with ADV-40-005-21.

AKD Risk Assessment – AKD are required to undertake a risk assessment to assess the risk of 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

Process	Risk	Risk Mitigation Measures	Evidence
Transport of logs directly from forest (AKD, GTFP, OFO)	LOW	<ul style="list-style-type: none"> all roundwood loads delivered to Colac are transported directly from the forest and hauled to the AKD Mill. every harvest operation is authorised by AKD through the notification or issuance of a Harvest Operation Number (or equivalent). This identifies the contractors, the plantation, and the certification status. field verification audits at supply unit. 	<p>Delivery Dockets with required information.</p> <p>5.16b FSC AKD Field Verification Audit_Supply</p>
Entry to the AKD Mills	LOW	<ul style="list-style-type: none"> trucks can only enter the Colac and Irrewarra Mill via the weighbridge. upon entry to the weighbridge, the truck driver must enter details into the weighbridge computer, including the Harvest Operation Number (or equivalent). 	<p>Delivery Dockets with required information.</p> <p>Cross checking weighbridge data with hard copies.</p>
Processing and storage at the AKD mills	LOW	<ul style="list-style-type: none"> only processing single plantation species. producing sawn timber-species easily identified. 	<p>Weighbridge procedure.</p>

		<ul style="list-style-type: none"> • site controls and weighbridge procedures. 	
Transport to Schiedl Mill (CHH, OFO)	LOW	<ul style="list-style-type: none"> • logs are delivered directly from the forest and are supplied with delivery dockets/e-dockets. 	E-dockets
Processing and storage at Schiedl	Potential (if supplier has not informed of changes that impact AKD's DDS)	<ul style="list-style-type: none"> • only processing single plantation species • producing sawn timber-species easily identified • site controls and weighbridge procedures • field verification audit of supplier premises undertaken by AKD 	5.16c Field Verification Audit_Supplier Premises
Transport from Schiedl to AKD	LOW	<ul style="list-style-type: none"> • under the control of AKD • all loads accompanied by transport documents 	Transport documentation Invoices
Transport of material between AKD and outsourcing facility	LOW	<ul style="list-style-type: none"> • under the control of AKD • accompanied by dispatch documentation 	Dispatch documentation
Processing and storage at outsourcing facilities	Potential (if not following outsourcing procedures)	<ul style="list-style-type: none"> • packs remain together • packs are checked and tracked into outsourcing facility and back into AKD • outsourcing field audits 	Timbersmart tracking 5.16d Field Verification Audit_Outsourcing
Purchase of HVP logs from Australian Paper holding yard	Potential (if other undeclared suppliers are in holding yard)	<ul style="list-style-type: none"> • Only holding HVP timber which is FSC100% 	5.16c Field Verification Audit_Supplier Premises To ensure only HVP logs are in the yard and no risk of mixing.

Procedure for Filing Complaints: complaints regarding AKD's due diligence can be made to Neil Harris – AKD's Resources Manager at Neil.Harris@akd.com.au. Stakeholders shall include as much information regarding the nature of the complaint so that AKD is able to assess and respond. All complaints are handled according to AKD's *Complaints Handling Procedure*, which is available upon request and provided to a complainant as a matter of course.

Control Measures: As South Australia and Victoria have unspecified risk for controlled wood category 3, AKD 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.

Risk Assessment Indicator (from Annex A FSC-STD-40-005)	Control Measure in Place	Desired Outcome
3.1 Forest management activities in the relevant level (eco-region, sub-eco region, local) do not threaten eco-regionally significant high conservation values. Identifying and assessing HCVs.	1. AKD only sources plantation radiata pine so there is no risk that HCVs are being directly harvested.	AKD only accept radiata pine – an exotic planted species.
	2. HCV Systems Audit to determine measures in place to identify and protect HCV.	The supplier has a good system for identifying and protecting HCVs.
	3. HCV Assessments.	HCV Assessments provide confidence in the identification of HCVs at the SU level.
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	1. AKD only sources plantation radiata pine so there is no risk that HCVs are being directly harvested.	AKD only accept radiata pine – an exotic planted species.
	2. Field Audits of Supply Units.	Field audits confirm identification of HCV 1 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).
	3. Harvest Plans.	All operations have a Timber Harvest Plan which identify HCVs and measures to protect them.
	4. Harvesting Checklists.	Harvesting inspections identify non-compliances in a timely manner.
	5. Stakeholder consultation	Annual stakeholder consultations continue to confirm that management activities and AKD control measures are adequate at ensuring the long term survival of HCVs at the ecoregion scale.

Stakeholder Consultation: AKD have undertaken a third round of stakeholder consultation in relation to controlled wood category 3. This involved identifying relevant stakeholders and inviting them to complete a questionnaire. The consultation relates to the forest management activities of its suppliers for 2018/2019 for the source areas of South Australia and Victoria. Stakeholders have 6

weeks to respond, which expired on the 30th November. Please contact Neil Harris if you would like to be involved but were not emailed a Stakeholder Letter.

The comments received and AKD's reply will be updated into this document once the consultation process has concluded.

Expert Engagement: AKD engaged Sue Harris, AKD's environment consultant, to review AKD's control measures in 2016. Sue's qualifications include a Bachelor Forest Science and over 30 years' experience in environmental and forest science roles. Sue was engaged to provide her opinion on the adequacy of the control measures that AKD is implementing to mitigate the risk of sourcing material from category 3. Sue concluded that the controls and processes in place are sufficient and adequate for avoiding forest material from areas where high conservation values are being threatened by management activities. AKD have not altered their control measure during 2018 and therefore have not required another expert review.

Verification Audits: AKD have undertaken 5 field verification audits in 2018. The table below summarises the more significant issues identified and the corrective action/s implemented:

Table 3 Issues identified during field audits

Issue identified	Corrective Action
No erosion mitigation measures were employed for a steep slope	Suggest using erosion mitigation measures (observation)

Appendix 1 – Stakeholder contacted

FSC Australia

info@au.fsc.org

Global Mark Australia

Customer.Service@global-mark.com.au

Environment

Sue Harris Environmental Consultant
Corangamite CMA
Department of Environment and Natural Resources
Nature Glenelg Trust
Trust for Nature
Environment Protection Authority
Native Vegetation Council
South East Natural Resource Management Board
Department of Environment, Land, Water and Planning
VicForests

Economic

Fennell Forestry
Clearwater Harvesting and Transport Pty Ltd
HVP Plantations
Green Triangle Forest Products
Australian Bluegum Plantations
One Forty One Plantations
ForestrySA
AFPA – Australian Forest Products Association
FWPA- Forest Wood Products Australia
TTIA – Timber Trade Industrial Association

Social

South East Cave Explorers
Burrardies Aboriginal Corporation
CFMEU
Private neighbour

Government

Glenelg Shire
City of Mount Gambier
District Council of Grant
ABARES

Research

Melbourne University