

Forest Management System – Summary Audit Report			
<b>Client name:</b>	PF Olsen Australia Pty Ltd	<b>Certificate #</b>	AFS 619365
<b>Client address</b>	Suite 6, 50 Upper Heidelberg Road, Ivanhoe Victoria 3079 AUSTRALIA	<b>Website:</b>	pfolsen.com/au
<b>Audit type:</b>	Routine Surveillance Assessment	<b>Report date:</b>	31 January 2019
<b>Standard:</b>	AS4708:2013	<b>Auditor:</b>	Ross Garsden
<b>This document provides a summary of the findings contained in a report to this client with respect to the implementation of the client's management system as determined during an audit conducted by BSI.</b>			

Scope of certification:
<p>The management of softwood and hardwood plantations in Victoria; South Australia; Southern NSW; Tasmania; and the south west of Western Australia.</p> <p>The scope of certification includes the harvesting and marketing of logs, wood chips and other forest products from these forests for domestic processing and export and the management of adjacent areas of native vegetation, which are excluded from wood production and managed primarily for conservation purposes.</p>

Executive summary:
<p>This report presents the findings of a routine surveillance assessment of PF Olsen (Aus) Pty Ltd with respect to the requirements of AS4708:2013. The audit program included an assessment of forest assets and forest management activities in the Green Triangle Region of South Australia and Western Victoria as well as the export operations at Portland. The assessment also included the Hamilton Office and the new Mount Gambier Office as well as the company's Head Office in Ivanhoe, Victoria.</p> <p>The audit has determined that the centrally-managed system operated by PF Olsen (Aus) Pty Ltd is being implemented effectively at the respective sites. There is no significant change to the Defined Forest Area and the scope of certification is unchanged.</p> <p>The audit included an assessment a range the company's processes and activities including:</p> <ul style="list-style-type: none"> <li>• Strategic planning and associated stakeholder engagement</li> <li>• Operational planning, including the identification of significant biodiversity and cultural heritage values</li> <li>• Forest harvesting and haulage operations; sales arrangements and export operations</li> <li>• Biodiversity monitoring and utilisation of new technologies for biodiversity monitoring</li> <li>• Research program and plan</li> <li>• Contractor safety and operational controls</li> </ul> <p>The audit included planned stakeholder engagement with a number of relevant stakeholders including the Forest Owners and Service Providers Association and a representative from Greening Australia.</p> <p>Some key strengths of the company's management system identified during this audit included:</p> <ul style="list-style-type: none"> <li>• Strategic planning processes</li> <li>• Safety systems and in particular the specific fatigue management requirements in new contracts.</li> <li>• Proactive stakeholder engagement processes</li> </ul>

- Collaborative research activities
- Adoption of new technologies, e.g. use of drones for koala monitoring
- Auditor training and a much-improved internal audit framework and plan
- A supportive and well-respected corporate organisational culture

No non-conformities were identified during this audit. The company has responded positively to the opportunities for improvement noted in the previous report and the actions taken in response are leading to demonstrable improvement. Some actions are continuing.

A number of opportunities for improvement have been identified in this assessment in relation to:

- Processes for maintaining and updating the DFA
- Mapping symbology
- Impacts of plantation management on retained native vegetation
- Contractor emergency preparedness and testing

PF Olsen (Australia) provides forest products to some customers on a stumpage basis. The forest products are the property of the customer at the stump. PF Olsen (Australia) is not responsible for the log loading, transport and delivery of these forest products.

The audit has determined that PF Olsen (Aus) Pty Ltd continues to operate a management system that complies with the requirements of AS 4708:2013. A recommendation is made for continued certification to the nominated Standard.

Once again, the positive and constructive participation of all staff involved in the planning and conduct of this assessment is noted and acknowledged.

**Defined forest area statement**

The DFA primarily consists of short rotation, blue gum plantations in three Forest Management Units (FMUs), namely: Green Triangle Region (Victoria and SA including Gippsland), Tasmania, and Western Australia. A fourth FMU in Southern NSW includes a minor softwood estate. The Green Triangle and Western Australia FMU's also include minor areas of softwood plantations.

<b>Defined forest area (in hectares) as at 31 December 2017:</b>	176,264 Ha
<b>Advised to AFS Limited on:</b>	8 March 2018
<b>Certificate expires on:</b>	24 May 2021

**Report prepared by:**

Ross Garsden	Technical Specialist – Forest Management
<i>Name of person who prepared this report</i>	<i>Position</i>

END OF REPORT