



Operational Policies
HARVESTING & PROCUREMENT DIVISION

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1. RESOURCE REQUIREMENTS

Hansol PI procures wood resources from company-managed and other private plantations from within the SW region (up to 200 km haul distance) to supply the Port processing facility in order to meet long term sales objectives.

The procurement targets vary with projected sales however is nominally 250,000 tonnes per annum.

The stockpile capacity is approximately 100,000 tonnes.

Privately sourced wood is secured through a “Harvesting Quotation” (form HD 05) or “Timber Harvest Plan” proforma (form HD 09) which incorporates a due diligence evaluation covering legal ownership, plantation historical, management aspects and logistical planning factors.

Hansol PI plans for the resource to be delivered nominally at a rate of 1,000 tonnes/day to the Port facility in order to maintain the woodchipping production rates. Chip stockpile levels are maintained to meet planned annual shipping schedules.

Any Harvesting and Procurement operation will be managed by Hansol PI under a four-tiered system, with increasing level of operational detail:

1. Corporate levels documents (company-wide application)
 - a. Policies and Principles (Mission, Vision, objectives and policies)
 - b. Administration Guidelines (procedures)
2. Specific operational policies (i.e. this document).
3. Operational Manuals and Procedures (i.e. HOD, Harvesting Manual).
4. Harvest Plans – individual plantations together with Annual and 2-Yearly Harvest Plans.

2. KEY WOOD HARVESTING & PROCUREMENT OPERATIONAL PRINCIPLES

- Compliance with State and Commonwealth legislation.
- Operate under the provision of the specific State Agreement Act (Collie Hardwood Plantation Agreement Act (1995).
- Compliance with the Code of Practice for Timber Plantations in WA (1997 and future revisions).
- Compliance with Codes of Practice Harvesting in WA (CALM 1999).
- Operations will be undertaken on the basis of “Industry Best Practice” incorporating proven principles, procedures and communications.
- Harvesting operations will follow that outlined in the “Harvesting & Procurement Manual”.
- Recognised standards of product quality control will apply to all harvesting, and transportation.
- Communication and cooperation with Local Authorities and key agencies regarding approvals (particularly with road permits) and the implementation of cooperative efforts on all road types.

3. WOOD HARVESTING & PROCUREMENT OPERATIONAL POLICIES

3.1 Standards Policy

All Hansol PI Harvesting and Procurement operations will be undertaken to the highest possible standards.

High standards will be achieved by taking into account the following recognised levels:

- FIFWA Safety & Health Code for Native Forest and Plantation Logging (and future revisions).
- Compliance to the Code of Practice for Timber Plantations in WA (1997 (and future revisions)).
- Follow procedures as detailed in Hansol PI's "Harvesting Manual".
- Commitment to FSC Principles and Standards.
- The application of a "continuous improvement" approach to all operational procedures and systems.
- Detailed historical information and operational plans will be contained within a Plantation Management Plan for each plantation.
- All delivered products will be monitored for compliance against export specifications during all production stages.
- The maintenance of a strict Chain of Custody approach from plantation to export sales.
- Any compliance issue is to be progressed through the Manager Harvesting & Procurement then to Management Committee.
- Manage all transportation activities to ensure compliance to Port security and safety procedures.

3.2 Environmental Policy

Hansol PI is committed to manage all harvesting operations with sensitivity to environmental protection. Operations will be designed, planned and managed through recognised standards and systems with an over-riding objective of minimising on and off-site environmental impacts.

The key features of the policy are embodied in the following environmental strategic intentions:

- Full awareness of and compliance to all applicable environmental legislation and regulations that apply to harvesting and haulage operations.
- The Company will operate within the environmental principles of the FSC, specifically the following:
 - Compliance to Chain of Custody system
 - Detailed logistic and operational planning
 - Precisely defined areas for operations
 - Maintain fire prevention system with contractors
 - Obtain all necessary operational permits (heavy haulage primarily)
 - Open communication to the community through the Local Authority
 - Maintain on-site supervision and operational monitoring
 - Maintain strict safety procedures for personnel and equipment.
- All personnel will be trained to the appropriate levels of environmental awareness and procedures to ensure the achievement of the Company's standards and commitments to FSC.
- Across all operational areas, "risk analysis" and "continuous improvement" approaches will be applied to all new and ongoing activities.
- The Company has established the following environmental objectives specific to Harvesting and Procurement:
 - Known sites of environmental or natural significance will be identified and protected.
 - Activities with native forest areas be carried out with minimal impact.
 - During and following operations drainage line integrity will be maintained.
 - Refuse and fuel spills will be immediately contained and removed.
 - Operate with consideration of nearby residents and the public generally.
 - Soil protection measures will be applied during operations.

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3.3 Native Forests

Hansol PI will protect native forest areas within its managed estate.

- Natural forest areas will normally not be harvested.
- Natural forest areas will be excluded from plantation harvesting activities.

3.4 Consultation Policy

Hansol PI harvesting activities are undertaken at a relatively large and extensive scale within the public view. It is important that open and regular communication is applied to the relevant agencies and the community.

This policy will be enhanced by specific communication strategies:

- Hansol PI will apply a “good neighbour” approach in communicating to adjoining or nearby landholders on harvesting operations.
- As part of the harvesting planning process Hansol PI will consult with relevant agencies, local authorities and as necessary, important road users (e.g. school busses) and nearby residents where operations may impact on normal activities.
- Hansol PI will apply a “risk analysis” approach for any operation that has the potential to, or perception of influencing or impacting activities off the managed land (See Administration Guidelines).
- Any formal complaint or grievance received will be reviewed on a high priority basis with action responses authorised through the Harvesting and Procurement Manager and the Management Committee (See Administration Guidelines).

3.5 Product Chain of Custody

Hansol PI will maintain a strict application of product chain of custody for all products from all ownership sources.

Chain of custody will be achieved through the following:

- Careful evaluation of the source of the produce, including ownership and past land management history.
- Only Bluegum resource is procured.
- Strictly managed harvesting and transportation procedures that ensure that wood from various sources are not mixed until stockpiled.
- Compliance to a delivery record system (e.g. “Delivery Notes”) merged with HOD documentation systems.
- Sale of waste wood material (fines, bark) emphasises re-cycling or organic use.

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3.6 Harvesting and Procurement Planning

Hansol PI's Harvesting and Procurement operations will comply with FSC environmental standards and are able to meet buyer specifications

- As part of the procurement planning process the ownership of non-Hansol PI managed estate and past management history will be established.
- Procure wood that only conforms to the FSC standard for non-FSC-certified controlled wood (FSC-STD-40-005):
 - Traditional rights not violated by plantation management
 - High conservation values are not threatened
 - No use of Genetically Modified material
 - No illegal harvesting
 - Plantation not developed by clearing native forests
- Eucalypt plantations will be harvested nominally on a 10-year clear fall rotation (8-14 year range).
- Proposed harvesting operations will be reviewed with local authorities and appropriate agencies at 3 stages – as part of the application to establish process (i.e. 10 years in advance) – nominally 2 years prior to harvest for haulage planning purposes – in the harvest year, specifically associated with any haulage permits.
- An annually updated 2 year rolling Road Haulage Schedule will be provided to Shires, who may make them available to the public.
- Logistic planning in advance of operations will be applied to maintain the integrity of the wood supply.
- A Timber Harvest Plan will be prepared for each property
- The boundaries of each operation will be clearly identified to all supervisors and contractors
- Protected areas will be clearly demarked
- Streams and dams will be identified. Harvesting not to take place within these zones and any harvest debris to be removed
- Site drainage will be monitored and maintained
- Soil conditions will be monitored and damage avoided
- Fire management procedures applied through the provision of equipment, established prevention and suppression procedures. Compliance to FESA Fire Guidelines for Plantations (as amended).

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- Post-harvesting reinstatement requirements will be part of the operational planning process
- All product transportation to comply with FIFWA Road Haulage Code of Conduct (2005) and as amended
- Multi-Combination Vehicle (MCV) permits will be obtained in advance
- Harvest and Haulage contractor personnel will be trained and briefed on the Hansol PI requirements for Chain of Custody.