



Ta Ann Tasmania Pty Ltd Chain of Custody Manual

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1. Scope

This manual details how Ta Ann Tasmania will meet the requirements of AS 4707:2021 – Chain of Custody of Forest and Tree-based Products.

It covers the gathering of information and due diligence system applied to incoming forest and tree-based products supplies, maintenance of the volume credit system and details of the management system that is in place. It also covers the transfer of certification claims to products, the sales process and certification labelling.

2. Management Commitment

Policy Statement (version 3)



TA ANN TASMANIA Pty Ltd

Company Policy on Chain-of-Custody

Ta Ann Tasmania (TAT) is committed to ensuring environmental considerations are a top priority, managing use of resources and company development in a sustainable way, and pursuing continuous improvement in all aspects of the business.

TAT is committed to Chain-of-Custody certification because of this corporate commitment and to assure our customers that Ta Ann products are derived from timber grown, harvested and processed in a legal and sustainable manner.

To implement, support and retain our Chain-of-Custody certification and underlying system, Ta Ann Tasmania's policy is to:

- ensure sufficient resources and competent staff are available to manage and control a Chain-of-Custody system that can confirm the origin of all forest material processed through our TAT facilities;
- deliver appropriate and sufficient training to employees about our Chain-of-Custody system; its maintenance and improvement;
- develop and maintain controls, procedures and documentation that ensure traceability of forest products and that the Chain-of-Custody system is verifiable and reliable at all times;
- comply with all applicable environmental laws and regulations pertaining to purchase and processing of timber harvested from Tasmanian forests by applying Environmental Protection Notices for Huon and Smithton mills and use these resources efficiently at TAT mills, striving to reduce harm to the environment and to minimise waste;
- provide a safe and supportive workplace where Ta Ann Tasmania and its employees give mutual respect and consistent performance;
- recognise the right for personnel to collectively bargain consistent with the International Labour Organisation conventions;
- ensure continuous improvement in the Chain-of-Custody system is underpinned by regular management review and up-date; and
- maintain a system to enable valid use of certification marks on our manufactured products.

Ta Ann Tasmania's Chain-of-Custody system will be audited by an independent Certification body to verify and report on its performance.

Chain-of-Custody is good for our customers, so it is good for TAT and I value your support in implementing the System as a high priority for TAT.



Robert Yong
General Manager
Ta Ann Tasmania
27 Oct 2021

3. Terms and definitions

For relevant definitions refer to AS 4707:2021

4. Identification of the material category of material/products

Identification at delivery (incoming level)

INPUT GROUP	OUTPUT GROUP
Log	Wood veneer
Veneer	Plywood

For all deliveries, TAT shall ensure that the following information is provided before the delivery is accepted onsite:

- a) Ta Ann Tasmania's name as the customer of the delivery
- b) supplier identification
- c) product(s) identification
- d) quantity of delivery for each product covered by the documentation
- e) date of delivery/delivery period/accounting period

Additionally, all certified deliveries will require:

- f) the formal claim on the material category (percentage of certified material) specifically for each claimed product covered by the documentation, as applicable
- g) the identifier of the supplier's chain of custody or forest management certification or other document confirming the supplier's certified status.

For certified deliveries from Sustainable Timber Tasmania, this information is provided on invoices, related Delivery Arrangements and log docketts.

Private log suppliers will provide this information through FPP, Delivery Arrangement Documents, and invoices/log docketts.

It will be the responsibility of Mill/Production Managers to ensure that the required information is provided for all deliveries.

Classification

Based on the information provided at delivery, the Accountant/Resource Officer/delegated personnel shall classify the timber as certified or controlled.

Input material will only be classified as certified if it is supplied with a Responsible Wood or PEFC Certified claim.

All other materials shall be classified as controlled provided the above information (other than certification claim) is provided.

As all suppliers shall have a risk assessment performed prior to the purchase of timber, no timber supplies shall be classified as “other”.

Identification at supplier level

TAT shall maintain a record of RESPONSIBLE WOOD /PEFC Chain of Custody or RESPONSIBLE WOOD /PEFC Forest Management Certificates for all suppliers of certified material.

TAT shall ensure that all forest and tree-based products supplied by certified suppliers are covered by their scope of certification. TAT shall also review the RESPONSIBLE WOOD register on an annual basis to verify continued certification of certified suppliers.

5. Due Diligence System

Identification at delivery (incoming level)

TAT shall operate a Due Diligence System (DDS) that covers all supplies into any of their sites.

Recycled material and material originating from species that appear on the Convention on International Trade in Endangered Species (CITES) list will not be handled by TAT.

Prior to the purchase of any material from new suppliers, they shall be subject to this Due Diligence System so that the timber can be classified as controlled upon arrival.

The due diligence system shall comprise of 3 parts:

1. Information gathering
2. Risk Assessment and
3. Risk mitigation

TAT shall not include any restricted forest and tree-based products originating from countries which are covered by applicable UN, EU or national government sanctions restricting the export-import of such forest and tree-based products.

TAT shall not include in products covered by the organisation’s DDS any forest and tree-based products from genetically modified forest based organisms in products covered by the organisation’s DDS.

TAT shall not include in products covered by the organisation’s DDS any forest and tree-based products from native forests produced by clearing those forests to make way for other land use.

TAT shall not include in products covered by the organisation’s DDS any other forest and tree-based products, including conflict timber, from controversial sources as defined in AS4707:2021.

TAT shall not include in products covered by the organisation’s DDS any other forest and tree-based products that does not comply with local, national or international laws.

Gathering of information

The risk assessment is based on information provided by the supplier. TAT shall require access to the following information:

- a) identification of the material/product, including its trade name and type
- b) identification of tree species included in material/product by their common name and/or their scientific name where applicable
- c) country of harvest of the material and, where applicable, sub-national region and/or concession of harvest.

Risk Assessment

TAT shall carry out a risk assessment for all Non RESPONSIBLE WOOD suppliers.

TAT shall classify suppliers as either “negligible” or “significant” risk.

To be considered negligible risk, a supplier must meet at least one of the indicators detailed in Table 1.

Table 1: Indicators of Negligible Risk EXTRACT **FROM AS 4707:2021**

Supplies declared as certified against a forest certification scheme (other than PEFC endorsed) supported by a forest management or chain of custody certificate issued by a third-party certification body.
Supplies verified by governmental or non-governmental verification or licensing mechanisms other than forest verification system, addressing the activities covered by the term controversial sources.
Supplies supported by verifiable documentation which clearly identifies: <ol style="list-style-type: none">i country of harvest and/or sub-national region where the timber was harvested, where the latest Transparency International (TI) Corruption Perception Index (CPI) score is higher than 50, or where the latest World Justice Project (WJP) Rule of Law Index is higher than 0,5, andii trade name and type of product as well as the common name of tree species and, where applicable, its full scientific name, andiii all suppliers within the supply chain, andiv the forest area of the supply origin, andv Documents, including contractual agreements and self-declarations, or other reliable information indicating that products do not originate from controversial sources.

In order for timber to be classified as negligible risk based on the final indicator it must meet the following conditions:

1. The timber supply must originate from Australia
2. The timber must be a Eucalypt or Pinus species
3. TAT must have a written agreement from all companies in the supply chain ensuring their timber will be kept separate from any other timber supply
4. A statutory declaration regarding the non-controversial and legal source shall be provided by the supplier

If a supplier does not meet the requirements detailed above, they shall be considered significant risk and no timber shall be purchased from them.

Risk Assessments shall be carried out prior to the first delivery of every supplier and shall be reviewed if there is any potential change to a suppliers' risk and at least annually.

Risk Assessments shall be recorded using the Appendix 1.

Risk mitigation

TAT shall ensure that material and non-trivial substantiated concerns provided by third parties concerning supplier compliance with legal requirements and other aspects of controversial sources are promptly investigated and, if validated, result in reassessment of the risks associated with the relevant supplies. These investigations shall be handled in accordance with the complaint procedure.

No forest and tree-based products shall be purchased from suppliers that are deemed significant risk during the risk assessment process.

6. Chain of custody method

TAT shall use the Credit method to account for the flow and sale of certified material.

Credit Method

Inputs into the Volume Credit System

All timber purchased by TAT shall be entered into the volume credit system and will be categorized as either Certified or Controlled as specified in Section 4.

Description product groups and raw material flow

Input Product Groups – Logs

Output Product Groups – Veneer, Plywood

The Smithton mill purchases logs and peels them into veneers. The veneer is clipped, dried and sorted before being packaged as veneer or made into plywood.

All plywood products are made of veneers manufactured by Smithton mill. If necessary, plywood products may include some percentage of 100% PEFC Certified input materials supplied by a chain of custody certified supplier with the claim 100% PEFC origin.

Calculation of the certification percentage

All timber purchases, outputs from veneer production shall be entered into the credit spreadsheet by close of the first working day of following month.

A certification percentage shall be calculated for each month based on the timber inputs for that month. The calculation is below:

$$Pc = \frac{Qc \times 100}{Qc + Qo}$$

Pc: Certification Percentage
Qc: Quantity of Certified Material
Qo: Quantity of other material

This certification percentage shall be multiplied by the volume of veneer outputs to determine the volume credit input for the month.

The difference between the volume credit input and output shall accumulate over a period of 12 months.

Accountant / Resource Officer /delegated personnel shall be responsible for ensuring the volume credit balance does not become negative.

Inputs into the volume credit system shall be entered as tonnes.

Outputs from the volume credit system shall be entered as cubic metres.

If other material is used and has a certification percentage less than 100%, the volume shall be split proportionally between certified and others.

Certified Sales

During normal operation all veneer and plywood sold by TAT shall be sold as RESPONSIBLE WOOD Certified

All certified sales shall have a certification percentage of 100%

If the volume credit account drops below 1,000m³, timber shall be sold as controlled unless General Manager approves the use of the RESPONSIBLE WOOD Certified Claim. The on-packaging and invoice use of the RESPONSIBLE WOOD and PEFC logos will also be suspended.

It is the responsibility of Accountant / Resource Officer /delegated personnel to notify all sales and labelling staff when timber must be sold as controlled rather than certified.

7. Sale and communication on claimed products

Documentation associated with sold/transferred products

TAT shall provide access to their Chain of Custody certificate to all customers through TAT website if available or acquire from HQ.

TAT shall maintain records of all documents associated with deliveries.

The following information shall be provided on all invoices from TAT:

- a) customer identification
- b) supplier identification
- c) product(s) identification
- d) quantity of delivery for each product covered by the documentation
- e) date of delivery / delivery period / accounting period

The following claim shall be included for all deliveries of certified products:

All timber is 100% PEFC Certified Certificate Number: 701
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The following claim shall be included for all deliveries of controlled timber:

<p>RESPONSIBLE WOOD Controlled Sources Certificate Number: 701</p>
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Use of logos and labels

TAT has been authorized by RESPONSIBLE WOOD Ltd to use the RESPONSIBLE WOOD and PEFC logos.

Logos shall be used on invoices and packaging of certified timber. Any changes to the documents using these logos must be approved by General Manager.

No on-product certification claims shall be made without prior approval.

8. Management System

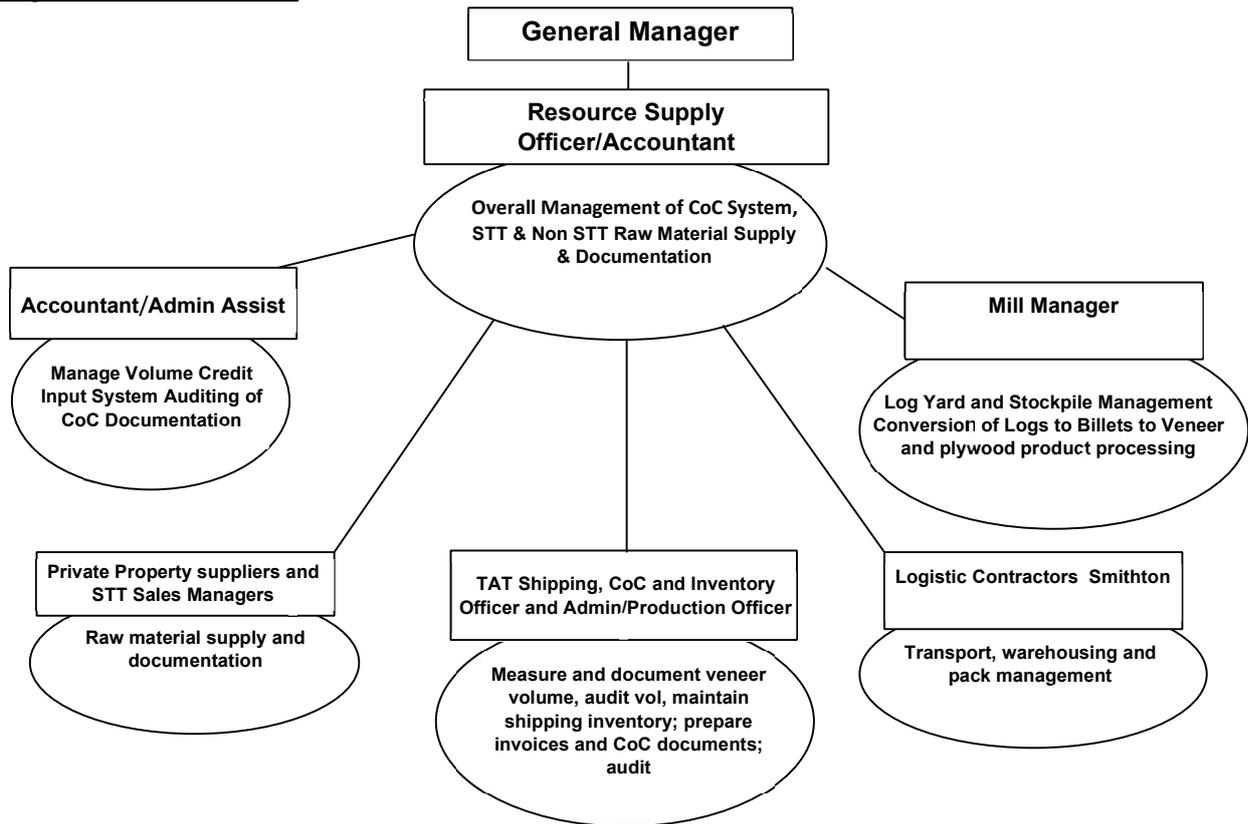
Responsibilities and authorities

General Manager has overall responsibility for the operation of the Chain of Custody System

Responsibilities and authorities for chain of custody

CoC Activity	Responsible person
Overall Responsibility	General Manager
Raw Material Procurement, Identification of Origin and Due Diligence	Resource Supply Officer /Accountant
Volume Credit System	Accountant / Resource Officer
Product Sale	General Manager
Product processing – Veneer and plywood	Mill Manager
Labelling	Mill Manager / Wrapper Supervisor & Operator
Record Keeping	Mill Manager; Accountant;
Internal Audits and Non-Conformity Control	Resource Supply Officer/General Manager /Accountant

Organisational Structure



Record keeping

TAT shall maintain the following records to allow the effective implementation of the Chain of Custody system:

- a) records of all suppliers of certified material, including evidence of their certification
- b) records of all input material, including claims on the material category
- c) records of all products sold/transferred, including claims on the material category
- d) records of the due diligence system including records of risk assessments
- e) records of internal audits, management review, non-conformities which occurred and corrective actions taken
- f) records on complaints and their resolution
- g) the volume credit account

All records shall be kept for at least 5 years

Training

The following positions require specific training in their CoC responsibilities:

Position	Responsibility	Trainer
Accountant	Overview management of CoC system	EWPA

General Manager/ Resource Supply Officer	Periodic audit of internal audits and reviews	Accountant
Shipping, CoC and Inventory Officer	Summarise monthly dispatching and invoice of veneer and plywood output; audit warehouse stock after Shipment, Volume Credit Input.	Accountant
Mill Manager, Production Manager	Log yard and stockpile management; conversion logs to billets to veneer; drying veneer; packaging and dispatching; weighbridge record keeping; audit truck delivery dockets; audit pack labelling; to record electronically using scanning system; produce dispatch summary	Accountant
Mill Admin, Wrapper Operators, Team Leaders	Dispatch, Labelling, Volume Calculations, Veneer Process	Mill Manager / Accountant
Logistic Contractors	Transport, warehousing and pack management	Mill Manager

Training shall be performed by the relevant person as soon as possible.

Internal Audits

TAT shall conduct an internal audit on an annual basis. This audit will ensure that the following processes are being conducted in accordance with the requirements set out in this manual:

- a) Training
- b) Identification of Material Category
- c) Due Diligence System
- d) Labelling (both on and off product)
- e) Certificate Status of Suppliers
- f) Record Keeping
- g) Verifying CoC Method
- h) Review of external audit reports
- i) Follow up actions from previous audits have been effective
- j) The CoC System Documentation is up to date

Internal audits shall be recorded using the internal audit checklist (Appendix 2) and shall be conducted across all sites. The results of the internal audit shall be included in the next management review.

Management Review

TAT shall conduct an annual management review of the CoC system to ensure that it is meeting the requirements of the standard and this manual and the company.

The following items shall be discussed:

- a) The results of the most recent internal and external audits
- b) Changes to AS 4707 and EWPAAC Certification Scheme Rules
- c) Complaints
- d) Risks to the effectiveness of the CoC System
- e) Training
- f) Review of Outstanding Non-Conformances
- g) Review of Corrective and Preventative Actions
- h) Potential Improvements

All Management Review shall be documented and kept for five years.

Complaints

If TAT receives a complaint regarding the CoC system, they shall:

- a) formally acknowledge the complaint to the complainant within ten workdays,
- b) gather and verify all necessary information to evaluate and validate the complaint and make a decision on the complaint,
- c) formally communicate the decision on the complaint and of the complaint handling process to the complainant,
- d) ensure that any appropriate corrective and preventive actions are taken, if necessary.

Subcontracting

TAT does not use any subcontractors

9. Social, health and safety requirements

TAT recognises the right of personnel to bargain collectively consistent with the International Labour Organisation conventions.

In addition, TAT shall ensure that

- a) workers are not prevented from associating freely, choosing their representatives and bargaining collectively with their employer, consistent with the core ILO conventions; and,
- b) forced labour is not used; and,
- c) School-aged workers shall only be engaged where such engagement: (i) complies with legal requirements; and (ii) formally contributes to or does not affect their education; and (iii) is not harmful to their health or development.
- d) workers are not denied equal employment opportunities and treatment; and
- e) working conditions comply with Australian Commonwealth, State and Territory health and safety legislation, and any applicable industry standards and Codes of Practice; and,

- f) steps have been taken to eliminate or reduce risk to health and safety so far as is reasonably practicable.

10. Implementation of CoC at Smithton Mills

Function and responsibilities of the central office

The central office shall:

- a) represent the multi-site organisation in the certification process, including communication and relationship with the certification body
- b) ensure contractual relationship with the certification body and RESPONSIBLE WOOD
- c) submit to the certification body any requests for extension or reduction of the certification scope, including coverage of participating sites
- d) provide a commitment on behalf of the whole organisation to establish and maintain a chain of custody in accordance with the requirements of this standard.
- e) provide all the sites with the following information:
 - a copy of this manual, AS 4707:2021 and the logo use rules
 - conditions of the contract with the certification body relating to the rights of the certification body or accreditation body to access the sites' documentation and installations for the purposes of evaluation and surveillance, and disclosure of information about the sites to a third party
 - explanation of the principle of the mutual responsibility of sites in the multi-site certification
 - results of the internal audit programme and the certification body's evaluation and surveillance and relating corrective and preventive measures applicable to individual sites - the multi-site certificate and any of its parts relating to the scope of the certification and coverage of sites.
- f) keep records relating to the central office and sites compliance with the requirements of this manual
- g) operate an internal audit programme that covers all sites
- h) operate a review of the central office and sites conformity, including review of results of the internal audits programme and certification body's evaluations and surveillance; shall establish corrective and preventive measures if required; and shall evaluate the effectiveness of corrective actions taken.

Function and responsibilities of sites

Sites connected to the organisation shall be responsible for:

- a) implementation and maintenance of the chain of custody requirements in accordance with this manual
- b) responding effectively to all requests from the central office or certification body for relevant data, documentation or other information whether in connection with formal audits or reviews or otherwise.
- c) providing full co-operation and assistance in respect of the satisfactory completion of internal and external audits

- d) implementation of relevant corrective and preventive actions established by the central office.

Supplier Risk Assessment

Ref:

11. Appendix 1

Supplier		Location and CPI	
Assessor		Date	

Indicators of Negligible and Significant Risk (AS 4707:2021, A.3 Risk Assessment and Table A1, A2, A3)

Is the material/products supplied as certified or controlled by a PEFC endorsed scheme?	Yes / No
Is the material/products certified or controlled against another forest certification scheme (e.g. FSC)?	Yes / No
Is any indicator specified in Table A1 identified?	Yes / No
Is any indicator specified in Table A2 and A3 identified?	Yes / No

*Documentation provided by governmental bodies in countries with a CPI below 50 will not be accepted.

If the answer to all of the above is NO, the following information must be provided:

Has a statutory declaration been provided?	Yes / No
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Country and/or sub-national region of harvest.

Evidence:

Trade Name and Type of material /products, as well as common name of species and, where applicable, its full scientific name.

Evidence:

Supplier of the material/products

Evidence:

Is there adequate evidence to categorise the supply as negligible risk as defined in the CoC Manual?
Yes / No

If YES, is material /products certified by a PEFC endorsed scheme? Yes / No

Assessment:

Certified	Negligible risk /Controlled	Significant risk/Rejected
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Performed by: _____

Approved by: _____

Name, Position and date:

Name, Position and date:

12. Appendix 2 Internal audit checklist

Audit Area	Compliant	Non-compliant	Comment
Current copy of AS4707 on file			
Changes to logo usage rules identified			
On & off product labelling is correct			
CoC manual up to date			
Current CoC certificate is available to customers			
All supplier risk assessments renewed and current			
All incoming material certification claims are correct			
Certification of all certified suppliers verified			
Only certified material is being sold with a certification claim			
Volume credit account is accurate and calculations are correct			

All training up to date			
External CoC audit has been reviewed			
Issues raised at internal and external audits have been added to the corrective action register			
Corrective actions register has been reviewed			
All records are being maintained for 5 years			

Performed by: _____

Approved by: _____

Name, Position and date

Name, Position and date