

1. FOREST MANAGEMENT POLICY



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1.1 English Version

The Portland Treefarm Project (PTP) is in the business of growing *Eucalyptus globulus* to produce woodchips that are then exported through the Port of Portland to Japan to produce high quality paper. The PTP is made up of Mitsui Plantation Development (Australia) Pty Ltd, Nippon Paper Treefarm Australia Pty Ltd, and Australian Afforestation Pty Ltd. PTP owns 15 properties in the Green Triangle Region, totalling approximately 1878 hectares. Under the Australian Forestry Standard (AS4708) and Environmental Management Systems (ISO14001), PTP falls into the medium grower category (ie. forest estate 1,000 – 10,000 ha).

The Portland Tree Farm Project is committed to establishing, growing and harvesting an ecological sustainable forest resource. Our aims are to ensure that operational activities minimise any potential significant effects on the environment and to ensure the well being of the community and our employees is protected.

The scope of the PTP Forest Management System (FMS) will cover all properties, all contractors and all activities conducted for and on behalf of the Portland Treefarm Project. Senior Management are committed to providing resources appropriate to these activities.

To fulfil this commitment the company will:

- Implement a forest management system that establishes objectives and targets, and regularly monitors and evaluates performance, with the intent of continuously improving environmental performance.
- Ensure that all business activities including planning, management practices and related harvesting works protect associated biodiversity, and places of historical and cultural importance.
- Comply with all relevant legislation, codes of practice and other non-legislative requirements.
- Respect relevant international agreements which Australia has ratified, in addition to internationally agreed principles of sustainable forest management.
- Ensure that all staff and contractors are aware of our forest management expectations, and that their activities are conducted in an environmentally, socially, economically and culturally responsible manner.
- Liaise with industry related groups and government agencies regarding management operational practices, and protocols that require implementation.
- Anticipating potential harm to the environment, and develop emergency procedures for responding to unplanned incidents.
- Explore opportunities to prevent pollution and to avoid and minimise waste resulting from our business activities.
- Foster openness in our consultations with the community on concerns regarding the potential environmental and cultural impacts of our activities.
- Communicate the performance towards the achievement of our forest management objectives to stakeholders through reports and other available means.

Authorised by Senior Management representative

A handwritten signature in black ink, appearing to read 'Ken Mikami', positioned above a horizontal dotted line.

Date: May.2011

Ken Mikami