

Counting what matters



OneFortyOne
Annual Review 2020

the creative fibre group
onefortyone.com



OneFortyOne acknowledges the Traditional Custodians of Country throughout Australia and their deep connections to land, water, and community. We pay our respect to Elders past and present and extend that respect to all First Nations people today.

Reconciliation is an ongoing journey for OneFortyOne and we recognise that meaningful change takes consistent effort. We are committed to strengthening our relationships with First Nations people and being guided by their knowledge of and connection to the land on which we live, work, and learn.

In Aotearoa New Zealand, Māori communities have a strong spiritual connection between people and the land – the wellbeing of one sustains the wellbeing of the other. We strive to work closely in partnership with tangata whenua (people of the land/region), iwi and hapū to be responsible intergenerational kaitiaki (stewards/guardians) of the land where our forests grow.

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At OneFortyOne we're dedicated to the ultimate renewable – timber. Our forests and mills in Australia and New Zealand produce wood products that are used daily.

OneFortyOne harvests and plants millions of trees every year. These trees form our 175,900 hectares of forests, including thousands of hectares of conservation land that native species of plants and animals call home. Our forests also contain important historical and cultural sites as well as artefacts that we are committed to protecting.

Our Jubilee and Kaituna Sawmills manufacture timber products such as structural timber, decking and posts, which are used to build homes, fences, vignerons posts and even chicken coops.

OneFortyOne operations are an integral part of our communities. We are major employers in the regions where we work and we're proud to invest in supporting our local environment and local people.

The Annual Review 2020 is a collection of our stories from across the business throughout the past year.

It's the projects we've undertaken, the progress we've made, and the things we're still working on – a reflection on the year that's been and an opportunity to count what matters.

Year at a glance

OneFortyOne's Annual Review 2020 *Counting What Matters* is a summary of our operational, environmental and community highlights over the calendar year.

In 2020 we focused on:

- The wellbeing of our people
- Growing, harvesting and manufacturing timber
- Customer service
- Supporting the communities where we live and work

We hope these stories offer a small window into what the forest and timber industries have to offer.

The strength of people

2020 has taught us to expect the unexpected and to reassess things we take for granted.

2020 also highlighted how resilient we are as a team, finding solutions and moving forward.

Our business begins in nurseries. By March 2020 we needed to work in a COVID-safe environment, so we created a COVID response

working group, and a specific Green Triangle Nursery Plan.

COVID-safe measures to slow the spread included designated carpooling and working groups, employees bringing their own food to site, eating outdoors, enhanced cleaning, and constant monitoring. In Australia some of our skilled Burmese contractors stepped up, breaking down language barriers to help interpret the new requirements for their colleagues.

"Our team were impressively resilient," says Craig Torney, Nursery Manager. "They took all the safety measures seriously and adapted again and again. Thanks to them, we were able to continue working almost completely uninterrupted."

In total, 1.5 million seedlings were despatched to other forest owners, 5.5 million to our own Green Triangle Forests. We have 2.35 million cuttings set aside for 2021 planting.

Focus on safety

Our Green Triangle operations are strong contributors to the local economy. The forestry supply chain from planting, tree care, harvest, transportation through to manufacturing is complex, with many people involved. We employ over 390 people directly with an additional contractor workforce.

"The quiet of the forest doesn't tell the full story," says Mick Theobald, General Manager Green Triangle Forests.

"We actively protect a diverse range of ecosystems, support community recreation, and spend significant time and energy preventing forest fires."



"Our team were impressively resilient. They took all the safety measures seriously and adapted again and again. Thanks to them, we were able to continue working almost completely uninterrupted."

Craig Torney
Nursery Manager

"Our people are generating better ways to work safer with greater efficiency, higher yields and lower costs. Like all good contemporary businesses, we are researching automation and accounting for our footprint. There is a lot to be proud of."

"We are driven to ensure that every person comes to work and goes Home Safe and Well every day and in 2020 had several initiatives to improve our safety performance."

In response to fatigue-related vehicle incidents in the Green Triangle, we decided that all heavy vehicles hauling log and chip would be fitted with life-saving technology.

Guardian, by Seeing Machines, is a real-time driver fatigue and distraction solution combining in-cab intervention (alarm and seat vibration) with support and analytics services. The system is scientifically proven to reduce the occurrence of driver fatigue events by 90%.

Another driver focused project is the Portland-Nelson Road Weighbridge Integration. Every truck delivering export logs to our Portland export facility must weigh in.

Previously, a driver was required to disembark their truck and enter data into the iWEIGH Weighbridge system. The integration project involved installation of registration reader technology to identify the truck and load, and automatically supply load information. Drivers no longer need to exit their vehicles on the weighbridge, meaning less time taken, less errors, and a safer process.

Working in new ways

Thanks to our Technology Team, our operations continued during the lockdowns of 2020. We had many people working remotely, which required a huge effort to get us all online and upskilled.

Those working from home on both sides of the Tasman could access all services required, and we found remote working resulted in high autonomy and productivity.

Mark Jones, Head of Technology described the experience, "We're often focused on cutting-edge technology, but during 2020 we had to concentrate on the flexibility of day-to-day operational work, and it's helped our people develop new leadership styles."

Our mill employees continued to work on-site throughout the lockdowns, quickly adapting to COVID-safe measures, and impressing everyone with their dedication.

Year at a glance

30,000m³

In Australia, the Jubilee Sawmill increased total sales volume by 30,000m³

\$16m

\$16 million invested in two non-stop continuous drying kilns

Kaituna Sawmill operational highlights

	Jan - Dec 2020 (*)	Jan - Dec 2019	Variance
Log Volume (m ³)	116,182	106,804	9%
Average Sawmill Production Rate (m ³ /hour)	37.2	34.3	18%
Total Sales Volume (m ³)	67,196	57,490	17%
Earnings Before Interest, Taxes, Depreciation, and Amortisation (NZD)	\$4,681,490	\$1,006,843	465%

(*) Excluded April 2020 where the mill was shut due to COVID - the remaining 11 months have been annualised



Jubilee's Continuous Drying Kiln



Producing renewable resources

During 2020, the teams at Jubilee and Kaituna Sawmills achieved outstanding business performance. Both Jubilee and Kaituna exceeded business performance targets despite each mill experiencing shut down periods.

In Australia, the Jubilee Sawmill increased total sales volume by 30,000m³ – our highest sales ever. Contributing to this was a combination of increased DIY projects during lockdown, housing stimulus packages, and less imported products coming into Australia.

Kaituna's EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) result between 2019 and 2020 increased by \$3.68m NZD with outstanding performance across all key drivers. The improvement in performance is largely based on better production rates across the site whilst keeping costs similar.

This significantly dropped the unit cost to manufacture. Importantly, the mill's financial performance didn't come at the cost of wellbeing.

Overall engagement in health and safety across all levels of the business improved, and Kaituna completed 12 months Lost Time Injury free.

Investing in infrastructure

At Jubilee Sawmill we have invested \$16 million into two non-stop continuous drying kilns to replace the old batch kilns. Each new kiln will be 81 metres long, 12 metres wide and three metres high. Together the kilns will dry 500,000 cubic metres of timber annually, fuelled by sawdust and wood waste.

In March 2020, the New Zealand based project team had been on-site at the Jubilee Sawmill preparing for construction, but the introduction of travel restrictions meant the team had to abruptly pack up and return home.

Months later, with the team now back on site, the project is due for completion in 2021.

"These kilns will give us more consistent, higher-grade timber," says Paul Hartung, General Manager Jubilee Sawmill. "They do so using less energy and with less downtime, which makes them an absolute winner for both quality and efficiency."

The importance of community

With many sports and community events cancelled, supporting local initiatives was challenging in 2020. We got creative, adapting our Community Grants with Stand Like Stone to fund projects that were ready to go and would have an immediate impact.

Through our partnership with Nature Glenelg Trust, we supported volunteers at Mt Burr Swamp to plant 3,000 seedlings around the main wetland, and developed a nearby site to facilitate Boandik cultural learning.

In New Zealand, we donated time and money toward the construction of the Great Taste Trail, which goes through our estate. We also sponsored the Young Enterprise Scheme for local students, as well as a range of educational, sporting and environmental causes, including the Kea Conservation Trust, Iron Duke Sea Scouts, the Tasman Rugby Union Club and first aid training for Future Foresters.



Chairman's Letter

On behalf of OneFortyOne's Board of Directors, I welcome you to the company's Annual Review 2020.

As the Review will share, our people have remained focused on our core businesses throughout 2020. Even with the external challenges of the year, our employees have served our customers at the highest level, fulfilled our environmental responsibilities and supported our communities.

The theme of this year's report is Counting What Matters and these stories touch upon just a few of the important aspects of what matters to OneFortyOne. After an extremely challenging year like 2020, we feel fortunate that we are still able to reflect on the positives that emerged from the year and to identify where we need to continue to make progress.

Safety has always been our first priority at OneFortyOne. We operate on the mantra of "Home Safe and Well," which reflects our passion for the wellbeing of our people, our contractors, and our partners. This is at the heart of OneFortyOne's wellbeing statement, which was developed to ensure we hold ourselves and each other to account when it comes to safety.

COVID-19 tested us, and continues to do so. Border closures took a toll on our people based in the Green Triangle, but we responded to this with transparent decision making and by advocating for individual employees affected by border restrictions. We did this while respecting government policy, and by ensuring our business and industry operated safely and could be trusted in a COVID-safe environment.

Not all businesses were able to operate in a business-as-usual manner during COVID-19. However, soon after the initial shock of the announcement of the pandemic, OneFortyOne was in a position to respond. Our products were needed as people found sanctuary in building homes, DIY projects, and renovation.

We are proud of our achievements in maintaining business-as-usual throughout a period of upheaval. Customers could rely on us, homes were built, and people were employed.

OneFortyOne has seasoned professionals across all areas of the business and has a vibrant succession plan. This proved valuable as we navigated changes within the leadership team during the year. Andy Giles Knopp was promoted to Chief Executive Officer of OneFortyOne in September 2020, and a smooth, successful transition has occurred thanks to Andy, the Executive Leadership Team, and our Board, all working together.

In February 2021, we also welcomed the promotions of Anita Drake to Chief Financial Officer and Brent Guild to Executive General Manager New Zealand.

OneFortyOne's Executive Leadership Team are:

- Chief Executive Officer – Andy Giles Knopp
- Chief Financial Officer – Anita Drake
- Chief People Officer – Peter Brydon
- Executive General Manager, Australia – Cameron MacDonald
- Executive General Manager, New Zealand – Brent Guild

Leadership team transition is a critical moment for any company. Through thoughtful hiring and planning over the years, we were pleased we were able to make these appointments from within the business. The Executive Lead Team has the full support of myself and the OneFortyOne Board of Directors.

As a closing comment on the changes, we acknowledge Linda Sewell for her dedication and leadership of OneFortyOne for nearly eight years, and Lees Seymour who led the operations in New Zealand. Their contributions will endure and we wish them the very best in their new endeavours.

We continue to be proud of the story our company has to tell regarding sustainability. Inside this review we share more about our work to understand our carbon footprint and our carbon farming pilot projects. Our forests have been recertified, providing our shareholders and customers with certainty that OneFortyOne products are grown and processed responsibly.

On behalf of the Board of Directors, I would like to extend a sincere thanks to Andy Giles Knopp and the OneFortyOne Leadership Team. They have worked extremely hard under trying circumstances and navigated the company with confidence and transparency. As a result, we have positive stories to tell in this Annual Review.

I trust you will find this Annual Review informative and we are able to provide insight into some of the many aspects which are important to OneFortyOne. As we move through the new year, I hope that 2021 brings added certainty, unity, and wellbeing for all.

Sincerely,

John S. Gilleland
Chairman
March 2021





CEO Report

2020 was a year of change. A year of change for the globe, the forest and timber industries, and for OneFortyOne.

We saw the conclusion of an important chapter in OneFortyOne's history as Linda Sewell and Lees Seymour departed from their roles of Chief Executive Officer and Executive General Manager New Zealand, respectively.

It is a great privilege to have been appointed Chief Executive Officer of OneFortyOne. I want to acknowledge my predecessor, Linda, for her leadership and commitment, setting up OneFortyOne for the future. The change in leadership marks the beginning of an exciting new time for the company.

I am hugely excited about what we will achieve with such a talented and capable team.

A range of external factors with long term implications affected our industry throughout the year. The 2019/2020 Australian summer bushfires had a devastating impact on lives, communities, the environment, and jobs. The loss of the forest plantation areas in New South Wales sent waves through the industry. The implications for future timber supply are significant and propel us further to achieving the goal of planting the right trees in the right places. We will only be able to meet future demand and support existing industries if we grow more trees.

The end of year decision to suspend timber exports between Australia and China was very difficult for our business and the Green Triangle supply chain. Through 2021 it will be important that we collaborate to solve the challenges left by these events for both the community and the sector.

The reality of the COVID-19 pandemic hit us in March, and we acted quickly to ensure that OneFortyOne was in a strong position to manage through any uncertainties ahead. This work put us in good stead throughout the year as we saw our operations close in New Zealand in the second quarter and then in South Australia in the final quarter of the year.

2020 performance

Counting What Matters is about our people taking responsibility for leadership right across the business. We believe that good ideas can come from anywhere and the experts are the best people to see those concepts come to fruition. This shines through the stories in the 2020 Annual Review.

Home Safe and Well is non-negotiable. From a safety perspective, our goal is to achieve industry top quartile benchmark.

The safety highlight through 2020 was performance at the Kaituna Sawmill. The team has made incredible gains with a renewed focus on wellbeing as well as empowering a highly engaged team to do the right things. The results have been outstanding and in January 2021 the team recorded 12 months lost time injury free.

"Counting what matters is about our people taking responsibility for leadership right across the business. We believe that good ideas can come from anywhere and the experts are the best people to see those concepts come to fruition. This shines through the stories in the 2020 Annual Review."

Andy Giles-Knopp
Chief Executive Officer

The financial results were mixed through the period.

In the first half of the year COVID-19 had the impact of closing markets as governments dealt with the immediate health risks of the pandemic. The China markets closed through the first quarter soon followed by the closure of our New Zealand operations through Stage 4 restrictions in the second quarter.

We had prepared for an uncertain economic slowdown and although the first half was weaker than planned, the reality of the second half of the year was quite the reverse.

Through the second half we have seen buoyant markets in both Australia and New Zealand which have underpinned a strong recovery. Operations in forests and mills have been working at capacity and results have been strong.

Although there has been positive momentum across the domestic markets and the outlook is optimistic through 2021, we concluded the year with the disappointing reality of the trade suspension between Australia and China. The impact on the cessation of timber trade to China has had a wide-ranging impact on the supply chain, from our harvest and haulage contractors to the operations at the Port of Portland.

The results were positive particularly through an uncertain and disrupted year. Our performance only represents the hard work, passion, and commitment of everyone in the business.

My reflection of the year is one of immense pride, pride in the entire team who demonstrated enormous care and focus on doing the right thing throughout the year.

2021 an exciting year ahead

2020 was a year in which we learnt a great deal about our team and our business. 2021 will be about how we use this knowledge to grow.

In 2021 we want to:

1. achieve industry top quartile benchmark for wellbeing to ensure that everyone goes home safe and well every day
2. drive operational excellence across all aspects of the business and underpin value creation with stronger business performance; and
3. continue to build an integrated organisation that the team feel proud to belong to and can thrive and realise their potential.

Our front cover features Jay Ropitini, Sawing Technician at Jubilee Sawmill. The photo was taken at 6am after an 8-hour shift and embodies the spirit of the team through 2020. Dedicated professionals focused on delivering their very best.

Thank you to our customers, contractors, communities, and stakeholders for your continued support throughout 2020. Our valued relationships have contributed to our results, safely and sustainably achieved during extraordinary times.

Andy Giles-Knopp
Chief Executive Officer
March 2021



Creating and nurturing leaders at every level

Developing leadership skills and encouraging inclusion are vital ways to create a more dynamic and successful organisation.

Our goal is to make OneFortyOne a great place to work. To achieve this, we have four objectives.

1.	2.	3.	4.
Build high performance culture and outstanding leaders	Accelerate inclusion and acceptance	Create meaning and purpose	Be fit for the future
Empowering individuals to deliver great outcomes for the business and embracing change as an opportunity to improve. A culture of excellence, adaptability and resilience where all employees strive for excellence in their field.	Create a culture that allows people to be themselves. Managers surround themselves with diversity to unlock potential and greater creativity through a rich and diverse culture.	Engagement across OneFortyOne on par with aspirational high growth organisations through leaders inspiring with personal stories and rewarding collective intelligence and values based behaviours.	Lead the organisation through transition of an ageing workforce enabling greater technology and right skills in the right place ultimately unlocking a greater collaborative business to create value beyond competitors.

“Retaining and attracting people to the forestry and timber industry is an area we’re always aiming to improve on,” says Peter Brydon, Chief People Officer. “We want great people to work with us, people who are experts in their field, and who are committed to the success of the business. The only way to achieve that goal is to make OneFortyOne a genuinely great place to work.”

That means we need excellent leaders, and everyone needs to feel welcome, valued and confident to make their own unique leadership contribution.”

Our first priority pushes us to empower every employee to lead, deliver great outcomes and embrace change.

The second is about helping people feel like they belong, no matter who they are or where they’ve come from. The third priority means lifting engagement levels across the business. The final priority is all about innovation, evolution and adaptability.



Opportunities for learning leadership skills

We need great leaders to create a great organisation – but what does that mean and how do we accomplish it?

We’ve been working to create a leadership model and program that will develop satisfying career paths for our people.

It’s important to talk about future skills and future workforces, and we are certainly thinking ahead. However, we don’t want to overlook the incredible skills and experience we already have. Building on our existing expertise is a way to create a huge depth of knowledge in our workforce.

We aim to expand learning opportunities for people at every level of the organisation. Building relationships is an important cornerstone for future leaders, and projects between teams have been a great way to foster those relationships in 2020.

Our wood density project is an excellent example: it involved Conor Ryan, Customer Co-ordinator from the Forests team, working with Darren Phelan, Planning

Manager Timber, and Warren Egan, Production Scheduler from the Jubilee Sawmill.

Together they studied different aspects of the sawmill such as green mill, dry mill, kilns, treatment, and roundwood.

“This project is giving me in-depth knowledge of the supply chain, from stump to finished timber products,” says Conor. “Knowing more about the production scheduler role also helps with my customer coordinator perspective, because I know more about the mill’s requirements. Learning the new technologies has also been very interesting.”

Wellbeing is an area where leadership is paramount. It is essential for people to lead by example when it comes to safety, and we take every chance to have conversations to ensure mindfulness and continually improve. Having conversations about safety and wellbeing through proactive programs are one of our safety performance metrics.

“We believe everyone, regardless of their role, has a responsibility for leadership,” says Candice Fennell, Head of Human Resources, Australia. “Whether you have direct reports or not, everyone can be a leader in some way – we are all leaders of something. All of our people have a talent we can manage and embrace.”

Driving diversity across the organisation

Jenny van Workum, Human Resources Manager New Zealand, says that the way we plant and harvest trees is not how many people might imagine.

Nowadays, there are far fewer people behind chainsaws in the forest, in fact most people are operating highly specialised machinery. We need people who have the skills to operate sophisticated technology. We hope our people and future employees can engage with others to make things happen and to get things done. We are looking for people that are passionate about the industry, want to learn more, and see a career for themselves at OneFortyOne.

Diversity is one of our areas for improvement. Increasing our diversity will bring significant strengths to the business: diverse workplaces offer a wider range of viewpoints, more creative problem-solving and superior business performance. Company culture is a product of our leadership and principles. The evolution of workplace culture weaves through the whole business; it is the combination of everyone's attitude and behaviour.



Jenny van Workum talking drones with Chris Ensor, Log Sales Manager, left, and Christoph Riedel, Forest Operations Planner, Richmond, New Zealand

"We know that if we want to retain our people and attract younger generations to the business, then inclusion must be a key part of our company culture," says Peter. "Our goal is to create a culture that allows people to be themselves and for managers to surround themselves with people of different backgrounds to unlock potential and greater creativity."

"Our goal is to create a culture that allows people to be themselves and for managers to surround themselves with people of different backgrounds to unlock potential and greater creativity."

Peter Brydon
Chief People Officer



Jay Ropitini, Sawing Technician, Jubilee Sawmill

Proud to be employing highly skilled essential workers

When the borders closed between South Australia and Victoria, we were asked to articulate why our workers should be classed as 'essential'. For workers living on the Victorian side of the South Australian border, was their work essential to our business?

Could we source their skills easily if our people were not permitted to cross the border?

This process reinforced how highly skilled our workforce is and how tough it would be to replace their training and expertise.

"From plantation to mill, forestry is an innovative, high-tech industry with the end user of our wood fibre always front of mind when we adopt new technology," says Peter, "and our high-tech expertise doesn't stop at the forest. We rely on

niche skill sets to keep our mill running 24 hours a day."

The process of identifying and explaining why some of our employees needed to cross the border gave us an opportunity to reflect on just how many specialised roles we have in the forest and the mill. In short, the answer to the government's question was, "Yes, our workers are essential – and they would be impossible to replace easily if they weren't permitted to cross the border."

Creating a culture of safety at Kaituna Sawmill

Health and safety come first at the Kaituna Sawmill in Marlborough, where a fresh approach to culture is setting a new standard for the site.

Caring for our people

“We have very specific measures for performance, but the culture element is difficult to measure and it’s hard to determine whether or not you have the right culture.”

Tracy Goss
General Manager Kaituna Sawmill

Using independent assessments, developing new systems and changing the way we think about safety has revolutionised the culture at Kaituna Sawmill in Marlborough. It’s an ongoing process and already we’re seeing huge improvements in the processes and attitudes around health and safety.

Assessing where we needed to make changes

To begin the process of improving safety, we invited independent assessors, both internal and external, to Kaituna to observe our operations and make recommendations on how we could improve. The assessors provided a series of reports, including barriers, safety

behaviour and site culture, and safety direction and implementation.

The assessors highlighted the areas we should focus on:

- Leadership
- Engagement
- Legislation and compliance
- Risk assessment

A new auditing system

To improve engagement, we introduced an auditing system at Kaituna which sets out goals for creating a safer culture at the mill. The system defines areas of focus and targets areas of opportunity whether this is around training, new employees, dispatch or another area of the business.

Tracy Goss, General Manager Kaituna Sawmill, says it was an opportunity to integrate people, maintenance, plant and equipment into the review process.

“We have very specific measures for performance, but the cultural element is difficult to measure and it’s hard to determine whether or not you have the right culture.”

Forklift-only work zones

Safety around forklifts was identified early on as a significant issue – it was crucial to create more separation between forklifts and pedestrians.

Cilla Ivory, Health and Safety Facilitator, says workspaces were shared and becoming congested: “Some of the

12

months without a lost time injury

February 2020 to January 2021 without a work-related injury or illness that results in time off work, permanent disability or a fatality



Home Safe and Well – a powerful pledge

OneFortyOne’s company-wide Home Safe and Well program is another key platform for culture shift.

Launched in January 2020, the program invites team members – including contractors visiting the company’s sites – to sign a pledge. Those who have signed have also received a badge to wear to indicate they have endorsed the pledge.

“The pledge is to ourselves, to our families, and to one another,” says Tracy Goss. “It’s a way of signalling to everyone that we are working towards our common goal of doing all the things in our control to go home safe and well every day.”

walkways used to cross over areas where forklifts went, so now we have guided walkways that keep pedestrians away from forklifts and other moving plant.”

“In a couple of really busy forklift locations there are sensor-activated super bright LED traffic lights at safe points to alert people that a forklift is in the vicinity. They must wait in the safe area until the light turns green before proceeding.”

“When someone wants to speak to a driver on foot, the forklift must be switched off, and the driver needs to step out of the machine to walk over to the person.”

There have also been improvements that have provided clear, highly visual reminders of the exclusion zone around forklifts. For example, red lights on the side of a forklift indicate a three-metre exclusion zone around the machine providing an extremely effective visual cue to keep your distance.

“Forklift operators do feel that it’s keeping pedestrians out of their operational areas and that their workspace is safer,” Cilla says. “They really appreciate that people are respecting their work zone.”

Getting the team engaged

Increasing engagement meant empowering individuals at Kaituna to bring forward their ideas with confidence, knowing that they will be heard and responded to.

Tracy says there’s been a shift in culture: “Ultimately, we can’t do anything without our people. The most important thing has been to engage them at every step of the change process.”

The team are creating a shift in health and safety culture at the mill by striving for improvement and involving the whole team so that there is a shared accountability for everyone going home safe and well at the end of each working day.

“The culture shift means our people look out for each other and hold each other accountable. You need a trusting environment to affect this type of change so people feel comfortable enough to bring issues forward and so they can trust the business is going to react in an appropriate way.”

“We took the opportunity to integrate people, maintenance, plant and equipment into the review process,” says Tracy.



Kaituna Sawmill team



New signs and structures

To boost safety further, we made safe spaces more obvious and dangerous spaces harder to access. Ultra-bright yellow railings guide employees and visitors around pedestrian-only zones, providing a conspicuous reminder of where to walk. The new 1.8m guarding fences throughout the mill also create a strong separation between pedestrians and the heavy-duty machinery and plant nearby.

Cilla says it's all designed to slow you down in a good way: "The safety updates have created a constant visual reminder that there are hazards.

While we've had signage for a long time, there is now an extra emphasis site-wide on new, more eye-catching signage carrying on with the high-impact visual theme."

Even the way we stack timber has evolved, with stack height decreasing as rows approach pedestrian areas. This means pedestrians are only ever walking close to the shortest stack of timber.

Tracy says the barriers have had even more of an impact than we expected.

"People's perception of risk has started to change. We're starting to see people applying risk awareness on a day-to-day basis. They're empowered to speak up and say 'Hey, that's not right'."

Pledging to come home safe and well

Another important part of the culture shift has been our company-wide 'Home Safe and Well' program. Team members, including on-site contractors, sign a pledge committing to taking care of themselves and their colleagues.

Tracy says the pledges are "to ourselves, to our families, and to one another. It's a way of signalling to everyone that we are working towards our common goal of doing all the things in our control to go home safe and well every day."

New elected safety officers

This year we introduced elections to appoint site-wide health and safety officers. Anyone interested in becoming a Health and Safety Representative (HSR) is asked to submit a mini resume with their registration of interest.

"Once nominees are collected, the team then votes via a single transferable vote system."

The new HSRs meet each month to look at different projects to focus on, while there's a second site-wide health and safety meeting where team members can raise any issues or ideas. We also increased our induction process to a full week for every new employee, giving us more time to explain our health and safety expectations and processes.



4.5

EBITDA increased over 4.5 times* the previous calendar year demonstrating that safety doesn't come at the cost of business performance.

*Earnings Before Interest, Taxes, Depreciation, and Amortisation

Tracy Goss, General Manager Kaituna Sawmill

"There's been a huge change," says Cilla. "Individuals are coming up with ideas and they're recognising hazards and risks. They will question it themselves and raise it with the HSRs. We've always had HSRs, but until now there hasn't been this level of engagement with them."

Bob Ward, a member of the dispatch team, was voted in as an HSR and says the new process has driven a positive shift in the culture.

"I've never worked for a company so into their safety, and I think that's helped by the long induction process for new people. On a day-to-day level for every process, you have to go through the safe operating practices so you're aware of how things work. It's very good."

Getting to the bottom of safety problems

There is an old adage – you have to go slow to go fast – and this is at the heart of increased productivity at the mill.

Chris Lambert, Kaituna's Green Mill Manager, says that despite the increase in safety improvements, it hasn't affected overall productivity.

"You have to solve problems at their root cause. It's human nature to try to solve or find a 'workaround' for small problems by effectively utilising what's in front of us. One of the aspects of our safety work is to stop the workarounds."

An example of the workaround fix in practice was in areas of the mill where timber traditionally bunches up or moves off its runners. In the past, the workaround was for someone to manually stand on the sidelines and flip the timber with a metal pole. Now, by finding ways to improve the performance of the machinery so the timber doesn't end up in a bunch, we've removed an unsafe 'fix' and replaced it with a genuinely safer process.

"Not all of these improvements have been an easy journey," said Chris. "When you've got a way that you've done something for years and then it gets taken away from you, it can be a bit frustrating. That's until you work out as a team how to do it, and it feels natural."

A more productive workplace

A safer site is a more productive site, and there has been a significant increase in productivity in response to safety improvements. Even small workarounds add up to be surprisingly time-consuming and problematic, as well as being a safety hazard.

Hayden Watty, an apprentice timber machinist, started working at Kaituna as a stacker five years ago, and said the safety improvements have made a big impression.

"When I first started here there was more of a culture of 'she'll be right'. The culture is a really big thing for me. Once upon a time it was rush, rush, rush, whereas now we're told to slow down, work out the hazards, and then fix it. It's all changed now, and everyone looks after each other."

Continuous improvement

Health and safety improvements are a constant process and everyone in the Kaituna team is confident they have the full support of their colleagues. Everyone wants to keep each other safe and well at work, because everyone has the right to go home to their families at the end of each working day.

Tracy said the team is continuing to look at ways to reduce and eliminate critical risks, to record what they're doing, and to encourage a culture that keeps themselves and contractors visiting the site safe.

"We need people working together to make this happen and we're proud of the collaboration here at Kaituna. Safety is never a job that's finished, and we keep ourselves in check by remembering that we are always only as good as our last day's performance."

This article has been adapted from an original story by WaltersPR.

Buy Aussie timber first

Timber – it’s hard to imagine life without it. During Australia’s COVID restrictions of 2020, we were able to keep our business running safely, retain our people and support the economies where we live and work.

It’s sustainable, durable and renewable: Aussie timber is an incredible natural resource that creates jobs, stores carbon and boosts our economy. Throughout the ups and downs of 2020’s pandemic, OneFortyOne was able to keep operating in a COVID-safe way. We were hugely grateful to be able to continue providing employment, supporting regional economies and delivering essential products all through the year.

Launched in July 2020, the Buy Aussie Timber First campaign saw the timber industry come together to send a clear message to the Australian public about the value of our products. The campaign included OneFortyOne, AKD Softwoods, Boral, Hyne Timber, Timberlink Australia and Wespine Industries.

A series of videos featured a wide range of timber industry professionals from these organisations, including Nigel Boyd, Production Manager at Jubilee Sawmill. Nigel shared

with viewers why Aussie timber was a winning product: “It’s not just because it’s the ultimate renewable and stores carbon for the life of the product, it keeps Australia stronger as well.”

Mike Bloomfield, General Manager of Sales and Marketing, says it’s excellent to be part of a project that sees the industry working together on a collective message.

“This was a great example of the government and industry collaborating to bolster the timber and housing industries as well as regional employment during a very difficult time,” says Mike. “It’s so good to see the industry coming together to showcase all the benefits of our products.”

The campaign was coordinated by the Australian Forest Products Association.

It builds on the successful ‘Timber Framing – The Ultimate Renewable’ campaign, which we also supported.

“The new campaign carries a very pertinent message on why it is so important to buy Australian timber,” says Mike. “It goes right across the supply chain to fabricators, builders and consumers. Buying Australian timber is a great idea at any time, but especially during periods of economic recovery when it provides critical support for regional employment.”

To find out more visit: www.buyaussietimberfirst.com.au/



500,000

Online advertising impressions for the campaign in the first three months

\$23.9 billion

2018–19 forest industry generated \$23.9 billion of sales and service income

52,000

People employed in the Australian timber industry

Striving for better

Drones are revolutionising weed management

We're using drone technology and high resolution imagery to find, map, and manage weeds across our forests.



Drone technology

5km

direction obstacle sensing

7km

video transmission range

83 hectares

of native vegetation (inliers) mapped on our estates

209 hectares

of our plantations mapped

Dr Danielle Wiseman,
Research Manager and
Bella Walker, Graduate



Weed control is a challenge in your own backyard, let alone across 175,000 hectares of forest over two countries. Invasive plants in a pine plantation are particularly threatening to young pine seedlings as they try and establish in the first three years. Weeds can often grow faster than our young trees, taking up water and nutrients, and blocking out light. Too many weeds and our trees can't grow to their full capacity – rotation times may extend and large numbers of trees could die.

With the help of a new drone in our toolkit, we're now able to more easily and quickly identify areas where weeds are causing problems for our forests. We can map out entire forests and create high-resolution images that show us where to focus our weed reduction efforts. Utilising this technology means we can map and assess a greater area, access difficult to reach terrain, and remove some of the manual labour meaning safer and more productive weed mapping.

One of the problem plants we've been working to eradicate is coastal wattle. Although a native Australian plant, when away from its natural range on the coast, this weedy tree is an invasive pest plant. Left untreated, coastal wattle can outcompete our pine trees, and can spread beyond the plantation to outcompete other native plants. Using drone imagery, we've been able to locate and record existing infestations, using this information to coordinate weed control. Afterwards, we can re-photograph the same areas to see how well our weed management is working, and to monitor the health of the plantation.

Beyond weed management, the drone imagery is used to map elevation and tree heights, as well as identifying sensitive areas in plantations like sinkholes and caves.

This cost-effective innovation is likely to become a permanent piece of equipment, helping us build a detailed map of all our plantations so we can quickly pinpoint any emerging problems and find solutions.



Scholarship Forester Heidi Maresch measuring wood density with the IML-Resitool

Measuring timber quality without damaging trees

A new resistance drilling tool is helping us to accurately measure wood density in standing trees and improve our overall timber quality.

They may look similar on the outside, but on the inside, each pine tree is unique. Performance and wood quality are important to our customers.

Wood quality is critical to our business, as we supply strong, high-grade structural timber for building homes. Wood density is the weight by volume of a tree, and higher density means a stronger and stiffer product.

Traditionally, wood density has been measured using the increment borer method: extracting cores from trees and measuring their volume and mass of wood. This technique is accurate but can be tricky to get right and can damage the tree.

We are now trialling a new tool to gauge wood density, the IML-Resitool. It uses needles inserted into the tree, measuring resistance to calculate wood density.

The Resitool can be used on standing trees, and, compared to the borer method, is easier to use, less invasive, and less prone to damaging trees.

In December 2020, we conducted a successful pre-trial at our Island Swamp property, measuring logs destined for the Jubilee Mill. With a team of 25 employees and contractors, led by Jan Rombouts, Resources and Planning Manager, Rob Lindner, Manager Optimisation, and

Michael Lucente, Quality and Compliance Manager, we collected valuable information from our logs from the forest through to the sawmill. The trial will help us to better understand what's growing in our estate.

"This trial has been a real collaborative effort, bringing together our experts from both the forest and mill teams," says Cameron MacDonald, Executive General Manager Australia. "We know that so many factors influence the quality of our final product – genetics, the environment and inputs like fertiliser. Work like this gives us a deeper understanding of how these all interact."

We are also complementing this with a study to link wood quality attributes of logs to the products made after processing in the Jubilee Sawmill.

In the future, it's likely this type of tool will continue to help boost our understanding of the environmental, silvicultural and genetic factors that determine wood density.

Helpful fungi promote tree growth and disease resilience

Trials are showing that adding Trichoderma root endophytes to seeds can result in faster growing and more resilient forests.

For the past six years, OneFortyOne has been involved in testing how Trichoderma root endophytes might be able to improve the growth of New Zealand radiata pine forests. This has been a group effort, with our forests hosting trials for the Lincoln University Bio-Protection Research Centre, supported by the Forest Growers Commodity Levy and New Zealand Forest Growers Research.

Together we've been taking different mixes of Trichoderma root endophytes and seeing whether they can enhance the growth of our trees, and their resistance to foliar diseases. Trichoderma fungal organisms are found naturally in soil and on roots; they form mutually beneficial relationships with the plants they live on.

In tests, living Trichoderma endophytes are coated onto seeds in our nursery before sowing.



Shannon Rutherford, Forestry Operations Planner assessing tree height as part of the Sherry trial overview

Credit Helen Whelan of Bio-Protection Research Centre

When the seed germinates, the Trichoderma forms a symbiotic relationship with the seedling that is transferred from the nursery into the forest at planting.

This research is showing some very encouraging signs, including a significant increase in survival rate for young trees. It's also showing significant reduction in the incidence and severity of Dothistroma septosporium, which infects trees and leads to low timber yields (and occasionally the death of the tree).

Along with hosting trials from the national series, in 2018 we ran our own in-house trial of Bio-Protection Trichoderma applied locally at Appletons Tree Nursery.

Results from this trial found a significant increase in tree height growth and survival – as a result, production plantings have been having Trichoderma treatments since 2019.

Craig Brown, Forestry Manager says, "We're excited about the overall results – it's fantastic to see ways that innovation, research and curious minds can make our crops stronger, taller and more resilient."

Special thanks to Dr Robert Hill and Dr Helen Whelan of the Bio-Protection Research Centre; Robert Appleton of Appletons Tree Nursery; and Forest Growers Research.



Addressing climate change with carbon farming

Carbon farming has positive environmental outcomes, while simultaneously boosting cashflow and creating more jobs in the forest and timber industries.

In July 2020, we started planting a pilot project on 126 hectares of a 344 hectare project at Tullich in Victoria, Australia. It's a 25-year-plus commitment to carbon farming, where the carbon sequestered by the trees we plant will generate credits from the Emission Reduction Fund (ERF) for the next 15 years.

This is just one way we can demonstrate how addressing climate change can go hand-in-hand with profitable business practices.

Carbon farming ticks so many boxes: it's beneficial for the planet; it will help Australia generate more timber to supply the increasing demand and it improves cashflow.

We're working with experts from WeAct, which specialises in carbon farming development; they've been a vital part of getting approval for our first carbon farming project. The Tullich project was a short rotation blue gum plantation, which we've

converted to long rotation radiata pine. The timber produced by the pines will store carbon for 30 to 100 years, as opposed to the paper produced by the gum trees which stores carbon for an average of six years.

Glen Rivers, OneFortyOne Chief Forester, says the carbon is measured as a proportion of the biomass of the tree, and we will monitor the growth of the trees over the period of this project:

"The carbon sequestration over the project life is expected to be approximately 63,000 tonnes of CO₂, which is enough to offset emissions from 13,500 cars each year."

That carbon is forecast to create an income of over \$700,000 during the first 15 years of growth, after which the credits cease. We can earn Australian Carbon Credit Units (ACCUs) for every tonne of emissions stored through this project and sell the ACCUs to the Australian Government or other business to generate additional revenue.

"We were motivated to begin carbon farming for the environmental and business case benefits," Glen explains. "We will manage this forest in exactly the same way as we do our other plantation areas. The extra revenue will help us get more trees in the ground, which in the coming years will also help to meet Australia's growing need for timber."



Dr Danielle Wiseman, OneFortyOne with Vivek Dugar, WeAct

© CamThompson/ FloodlightMedia for CleanEnergyRegulator/ CarbonMarketInstitute

At this stage there aren't many plantations in Australia that are eligible to access the ERF. To be eligible to participate in the ERF, new plantation forestry projects must be on eligible land or converting short-rotation plantations to long-rotation (such as radiata pine). Plantations that are already being managed aren't eligible under current schemes; they are included in the national inventory.

Radiata grows fast and rapidly absorbs carbon dioxide, even as a young plant, so it's the perfect tree for projects like this.

"The forestry and timber sector plays a key role in addressing climate change" says Glen. "It's a win-win. We're helping to improve environmental outcomes, grow our business, and contribute to regional economies."

We will be investigating more opportunities to undertake carbon farming projects in 2021, as a natural part of our core business – reflecting our role as custodians of the environment, and advocates for our industry.

Key figures for 2020

200,000

Trees planted at Tullich

23,000 tonnes

Expected CO₂ offset

70

People employed per day during planting

\$158,000

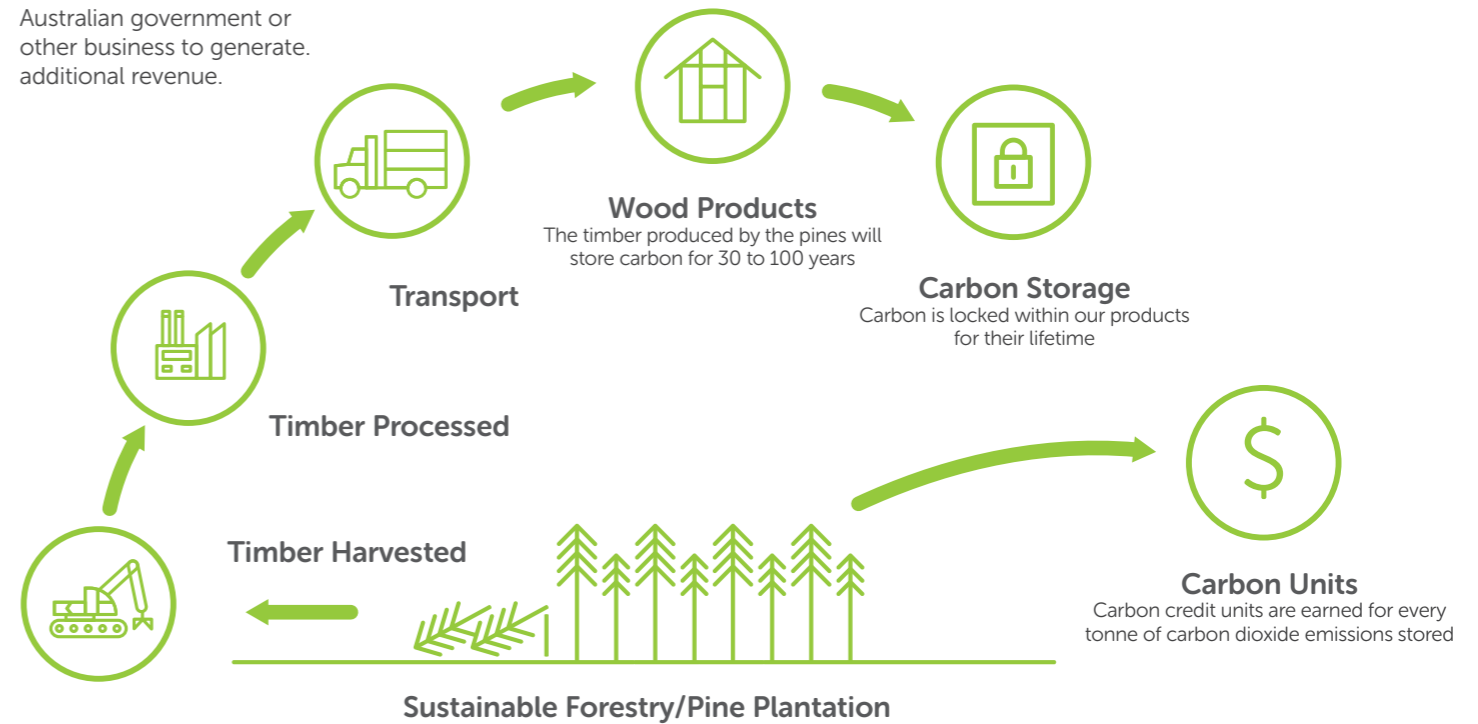
OneFortyOne's estimated carbon revenue net present value over 15 years based on current modelling (subject to change)

Carbon farming

We earn Australian Carbon Credit Units (ACCUs) for every tonne of emissions stored through this project.

Each ACCU issued represents one tonne of carbon dioxide equivalent.

We sell the ACCUs to the Australian government or other business to generate additional revenue.



As trees grow they sequester carbon dioxide. The carbon sequestration over the project life is expected to be approximately 63,000 tonnes of CO₂, which is enough to offset emissions from 13,500 cars each year.

Transforming lives on the Limestone Coast

For the sixth year running, OneFortyOne is proud to partner with the Stand Like Stone Foundation to help support the Limestone Coast community.

The 2020 \$50,000 program is supporting a range of initiatives – including firefighting equipment, foodbank deliveries, mental health support, and at-risk youth programs.

Stand Like Stone Foundation was established in 2004 by a passionate group of people from across the region who wanted to create a community fund that would benefit the region in perpetuity. The Foundation provides a vehicle for those that care about the region to give something of real value back to the community. Through its annual grants and scholarships, Stand Like Stone is able to quickly adapt and react to the community's needs, from individuals and families, through to not-for-profit groups and corporations.

Our partnership

Since 2014, OneFortyOne has provided \$230,000 in support to the region through Stand Like Stone. Anne Kerr, Stand Like Stone CEO, said these grants epitomise the generosity of spirit that is alive and well in the Limestone Coast.

"Our vision at Stand Like Stone is to inspire community kindness and courage. Partnering with businesses such as OneFortyOne, who take such positive and meaningful action to support their community, enables us to deliver on our mission."

The six-year partnership between Stand Like Stone and OneFortyOne has improved the lives of thousands of residents of the Limestone Coast, and our whole team is proud to be involved.

"We love seeing the difference that Stand Like Stone is making in the community here," says Paul Hartung, General Manager Jubilee Sawmill. "It's fantastic to be able to support their efforts. Stand Like Stone is making a long-lasting positive impact here in the Limestone Coast."

Padthaway Primary School received a grant for the fire fighting equipment. Pictured: Principal Corinne Mowat and student Will Turner.



Serving our communities

Outback intervention changes lives for at-risk students

One of the 2020 grant recipients was the Operation Flinders Foundation. It provides at-risk youth with 'outback intervention' – a program of demanding outdoor challenges to develop attitudes, build self-esteem and promote teamwork.

A typical exercise drops participants off somewhere on the 563 square kilometre Yankaninna Station, north-east of Leigh Creek in South Australia, before embarking on an eight-day trek.

"Operation Flinders is an outback intervention program which is quite unique," says Leigh Aitken, Operation Flinders Engagement Officer.

"Participants trek through the Flinders Ranges carrying all their own gear in a backpack which could weigh up to 16 kilograms. They sleep rough with only a basic shelter and they have to cook their meals in a campfire for the eight days."

Leigh Aitken
Operation Flinders engagement office

"Participants trek through the Flinders Ranges carrying all their own gear in a backpack which could weigh up to 16 kilograms. They sleep rough with only a basic shelter and have to cook their meals in a campfire for the eight days."

Around 8,500 young people have been through the program during its 29-year history and in September 2020, school students from Millicent High School were involved in the program thanks to a Community Capacity Building Grant from OneFortyOne and Stand Like Stone.

South East Junction course participants during their equine training (confidence building) sessions.



Program attendees are often disengaged from school, but participation in an Operation Flinders trek has been shown to lift their engagement levels and increase their chances of studying for longer.

A PhD student studied Operation Flinders in 2014 and found the intervention also reduced short-term offending, reduced aggression, enhanced wellbeing and confidence, and reduced school absenteeism.

As one early participant, Bec, describes it: "Operation Flinders was my turning point. Before Operation Flinders I felt I wasn't good enough, I was angry and I didn't care for myself. Operation Flinders made me feel like I was worthy of success and released passion inside me to help others. I was the first person in my family to complete university [and now] I'm the social worker in my old high school."



Millicent High School students taking part in Operation Flinders

Through the 2020 grant program, a range of local organisations were supported:

Direct contributions to Limestone Coast communities through the Stand Like Stone annual grants:

\$230k

\$230,000 from OneFortyOne since 2014

72

72 local students participating in personal leadership programs

Organisation	Project	Amount
Padthaway Primary School/Preschool	This project will provide the Padthaway community with crucial fire-fighting equipment – including an emergency water tank, fire hose and reel – to build capacity for future fire seasons.	\$6,000
Youth Opportunities (SA) Inc	For young people who may be experiencing disadvantage for disengagement, this program is about developing personal skills to help them create their own future success. The grant will help fund the delivery of four personal leadership programs to 72 students from Millicent High School, Allendale East Area School, Grant High School and Mount Gambier High School.	\$15,000
Foodbank South Australia (Limestone Coast)	With COVID-19 increasing the need for access to food relief, Foodbank is adapting its distribution model to meet the changing face of food security. This project will help Foodbank Limestone Coast with its pilot 'Home Hamper Delivery Program', which will see food hampers distributed free-of-charge to the community's most vulnerable.	\$3,000
Operations Flinders	Operation Flinders provides at-risk youth with 'outback intervention' – a program of demanding outdoor challenges to develop their attitudes, build their self-esteem and promote teamwork.	\$16,500
The South East Junction, Mental Health Activity Resource Centre	The South East Junction is a consumer-run mental health resource meeting the needs of mental health consumers, carers and supportive community members. The grant has provided funding for resilience training encouraging people to grow and thrive in the face of challenges, so they can bounce back from adversity and move forward.	\$9,500
Total		\$50,000



Connections and community

OneFortyOne supports a wide range of community-led initiatives in the places we live and work. We know that thriving regions need strong communities, passionate people and healthy environments – and we're doing what we can to help.

Serving our communities

Supporting our local communities was challenging during 2020, with the impact of lockdowns on schools, sports clubs and public gatherings. Many of the events and groups we usually support couldn't meet as they usually would. We adapted our Stand Like Stone applications so we could fund projects that were ready to go and would have a rapid impact.

"In 2020 we saw just how important local sport was for providing connections, keeping us healthy and raising energy levels," says Jessica Douglas, External Affairs Director. "When we looked at the community grants, we were really impressed at how creative people had been in finding new ways to stay connected."

Last year was also an important year for OneFortyOne's identity, with all-new branding rolled out across the organisation. Perhaps the biggest impact was felt in New Zealand, where the business was previously known as Nelson Forests.

"We now have a single brand and together we can achieve more at a local level in both Nelson/Marlborough and Mount Gambier", says Jessica.

Creating space for biodiversity and learning

OneFortyOne's partnership with Nature Glenelg Trust (NGT) began in 2013, when we helped to fund the purchase of Mt Burr Swamp Habitat Restoration Reserve. Since then, we've worked with NGT restoring habitat and biodiversity within 2,700 hectares of protected wetlands, caves and remnant vegetation.

This includes keeping records of the threatened flora and fauna that call our estates home, and using this information to manage habitat and protect native species during forestry operations. This year at Mt Burr Swamp, NGT and volunteers continued to regenerate the area, planting 3000 seedlings around the main wetland.

A site overlooking the wetland has been created to facilitate learning on Boandik country. The descendants of Annie Brice, a Boandik woman featured in a children's book titled 'Annie's Story', attended a gathering in December 2019 at the swamp to celebrate culture and to create a learning space for future generations.

The space includes ceremonial and yarning circles, and a wurla (Boandik housing) made from sheoak timber.

Over 60 people visited the wetland on Boxing Day 2019 and built the wurlie, fire pit and ceremonial circle. Revegetation has occurred at that site through volunteer help since 2019. With the help of Ian Blackmore, Area Forester, and local logging contractor Fennell Forestry, we were able to remove the large pines and blue gums to further foster the creation stories walk and allow it to happen over a larger area.

NGT Senior Ecologist Bryan Haywood said over the coming year more species that are important to Boandik culture will be planted at the wetland, to further enhance the site and attract native birds and mammals.

"We will plant stringybark trees as a food source for the Red-tailed Black Cockatoo, Xanthorrhoea's to help create habitat for Southern Brown Bandicoots and an understory of various shrubs, grasses and bush foods suited to a sandy soil environment," Bryan said. "Native plants significant to Boandik people will also be incorporated into the cultural learning area, encouraging Boandik country listening and learning experiences into the future."

During 2020, we continued to support NGT on a range of other environmental projects. Development began on a new app that will let NGT alert OneFortyOne any time a threatened species is sighted in our estates.

The app will also allow us to monitor the impact of our operations on biodiversity, and collect this data more efficiently.

The NGT team has also been working on the Mt Gambier Rail Trail revegetation project, guiding students and volunteers to plant 1,300 plants over 250 metres of the trail with a further 400 metres of revegetation planned for 2021.

Backpacks and basketball – charity auction raises funds to support local kids

In September 2020, we partnered with the Pioneers Basketball Club to support Backpacks 4 SA Kids.

Fourteen Pioneers players' jerseys were auctioned on Facebook, with all proceeds going to the charity.

"In 2020 we saw just how important local sport was for providing connections, keeping us healthy and raising energy levels."

Jessica Douglas
External Affairs Director

The auction raised \$1,510, which we matched, for a total donation of \$3,020.

Backpacks 4 SA Kids assists more than 6,000 children per year and around 1,000 carers. Each backpack the charity provides contains age-appropriate emergency clothing, toiletries and other necessary supplies for children aged under 17 years who are taken into care because of neglect or abuse, family violence, or are experiencing homelessness.

With our combined donation, Backpacks 4 SA Kids was able to purchase 38 backpacks for local children, helping to relieve some of the stress and anxiety children face when they are removed from their family, often in traumatic situations and without the opportunity to take any personal belongings with them.

A male Swamp Bluet Damselfly (Coenagrion lyelli), Bryan Haywood, NGT



Coronation Forest
Planting 2020
New Zealand





Kyle Tipene, Backpacks 4 SA Kids local representative Karen Richards, Tom Daly, Pioneers Captain, Paul Hartung, General Manager Jubilee Sawmill

“One child was so excited to have their own toothbrush and toothpaste. It’s those little things which make the biggest difference, and these backpacks go a long way to supporting local children who are in a crisis.”

Karen Richards
Volunteer Representative, Backpacks 4 SA Kids

\$300k

The 2020 calendar year saw OneFortyOne support 56 local projects across Australia and New Zealand with more than \$300,000 of community grants delivered

Karen Richards, volunteer representative at Backpacks 4 SA Kids said some of the best feedback the charity has had is from children they’ve helped on the Limestone Coast.

“One child was so excited to have their own toothbrush and toothpaste,” Karen said. “It’s those little things which make the biggest difference, and these backpacks go a long way to supporting local children who are in a crisis.”

Paul Hartung, Jubilee Sawmill General Manager, was inspired to support the charity after hearing a local report about its success.

“Backpacks 4 SA Kids is run by local people who are doing really great work supporting families and children across South Australia and right here in the Limestone Coast,” Paul said. “The work of the organisation resonated with us and we felt fortunate to be involved in a small way.”

Another boost for the Great Taste Trail

Cruising around on your bike, visiting vineyards, seeing the sights – could there be a better way to explore the Nelson-Tasman region? The Great Taste Trail is one of 22 Great Rides that make up Ngā Haerenga, the New Zealand Cycle Trail. It takes in local art galleries, wineries and restaurants as well as stunning natural landscapes including alongside rivers, estuaries, beaches and the iconic Spooners Tunnel.

The Trail also passes through some of OneFortyOne’s forest estate in the Tasman district. We have supported the Great Taste Trail for over five years, providing people and equipment to undertake essential earthworks in our forests. In 2020, our contribution was a mixture of cash and ‘in kind’ support to enable work to be completed on the next stage of the trail under construction, from Tapawera to Ngātimoti.

We have provided a total of \$100,000 to support maintenance and construction of the trail. “It’s wonderful to see so many people enjoy riding through our forest estate and we’re thrilled to be supporting it,” says Brent Guild, Executive General Manager New Zealand. “Plenty of us here at OneFortyOne also use the trail and it’s just a brilliant asset to the community.”

Supporting young Kiwi entrepreneurs

The Young Enterprise Scheme (YES) has been encouraging entrepreneurship in Kiwi students since the 1970s and it’s still going strong. In 2020, we sponsored YES and joined the judging panel at the ‘Dragon’s Den’ style competition.

Around 150 students from schools across the top of the South Island participated in the 2020 Young Enterprise Scheme, working in teams to create and run a real-life business. Each team attended

The South East Junction, Mental Health & Resource Centre, coordinator Nel Jans. The South East Junction received a \$9,500 Stand Like Stone Grant to offer dedicated resilience training for people coping with stress and adversity.



Key facts	
Promoting individual and community wellbeing	\$43,000
Contributing to a culturally vibrant and sustainable community	\$174,000
Acting on environmental challenges	\$80,000
Supporting education and training	\$13,000

All amounts in Australian dollars, rounded to the nearest thousand.

one of two YES pitch sessions in June, where they had 15 minutes to convince judges to support their fledgling company.

The Marlborough judging panel included Sue Ross, OneFortyOne New Zealand Kaituna Sawmill Supply Chain Manager, and the Nelson panel was joined by Andy Karalus, former OneFortyOne New Zealand Estate Value Manager.

The regional winner was a team of five students from Waimea College, and their ‘Pathways to Primary’ idea, a horticultural card game to show kids the career opportunities in primary industries.

Team member Bree Anderson told Waimea Weekly that the group saw a problem for students who didn’t want to continue down the school to university learning track: “We thought a game might be a bit more interesting rather than simply having another teacher voicing what the opportunities are.”

Sponsoring YES is a continuation of our support for both the Marlborough and Nelson Chambers of Commerce.

Providing grassroots support for local causes in New Zealand

We are committed to promoting the wellbeing of our community, so we’ve been looking for ways to support healthy activities at a grassroots level. This year our local sponsorships in New Zealand have included:

- Kea Conservation Trust
- Nelson Kids Variety Show
- Iron Duke Sea Scouts
- Academic prizes
- The Tasman Rugby Union Club
- A charity golf tournament raising funds for the Nelson Marlborough Rescue Helicopter
- First aid training for Future Foresters

We plan to keep growing our support for local clubs and events, putting profits back into our region and promoting community wellbeing across Nelson, Tasman and Marlborough.



Our fire readiness

Two new 360-degree surveillance cameras to enhance fire detection should mean quicker responses and faster fire suppression across the Green Triangle.

Fire detection, prevention and management continues to be one of the most critical issues facing the forestry industry. The industry relies on the eyesight of expert fire spotters who work from towers, sometimes in extreme weather conditions. With the addition of FireHawk cameras to the network, the Green Triangle has taken a significant step forward in early fire detection and faster, more accurate response times.

Firehawk and Working on Fire Australia, along with the Green Triangle Fire Alliance, are trialling two 360-degree cameras supported by sophisticated smoke identifying algorithms. Cameras have been installed at Bluff and Penola Towers. Operational for 24 hours a day, all year round, early results show the FireHawk can detect fire up to 30km away. The camera sends out multiple alarms if it detects smoke or glow, pinpointing an exact location until manually verified by fire spotters. The images collected are stored on a database that can be accessed at any time.

Andrew Matheson, Estate Manager and Chair of the Green Triangle Fire Alliance, said the technology will provide a heightened level of response.

“This data and alert system will arm industry with the enhanced ability to spot and coordinate the response to a fire earlier.”

“This new technology means fire spotters will be working alongside forest managers and fire-fighting personnel to protect not only our forest estate, but that of the broader community, with a coordinated response.”

“Every major fire starts as a small fire, so improvements in fire detection are a vital part of reducing the severity of fires across the region. Technology like this helps us become better at fighting and preventing fires, and we hope it will soon add another layer of protection to our total fire readiness strategy.”

Understanding our environment



“This data and alert system will arm industry with the enhanced ability to spot and coordinate the response to a fire earlier.”

Andrew Matheson
OneFortyOne Estate Manager
and Chair of Green Triangle Fire Alliance

Green Triangle fire readiness activity

Fires attended by OneFortyOne in 2020 **19**

People hours of training for the firefighting season **2,377**

Trained firefighters available to OneFortyOne, plus 13 fire support personnel **102**

OneFortyOne operates a private fire fighting force which includes 7 fire trucks **7**

Fire management happens all year round

Fire prevention and management planning starts at the ground level and goes all the way into the sky.

Each year we design the layouts of our forests and new plantations to lessen the chance of ignition, protect assets, and minimise community risk. Fire breaks are kept clear and accessible, and we train our forestry personnel in fire management all year round.

OneFortyOne contributes seven fire trucks, 34 tankers, six bulk-water carriers, quick response vehicles, dozers and graders, large water tankers, and a range of other resources to protect our estate and the greater Green Triangle, and we collaborate with the South Australian County Fire Service and the Victorian County Fire Authority in training and fire response.

A network of towers, fire spotters, and spotter planes watches over our on-ground force.

Andrew Matheson, Estate Manager, says the Forestry Owners Conference Group has a cooperative agreement that binds industry to assist each contributor when responding to a fire event.

“It’s a great feeling to know that if we need help fighting a fire, the other growers and the fire authorities will answer the call,” says Andrew.

Massive dams boost fire readiness in New Zealand

Seven helicopter dip dams are being built in OneFortyOne’s New Zealand Marlborough forest estate to fight future fires. Each dam will hold 600,000 litres of water and are located at high altitude, some at sites of fires in the past. These high plantations are relatively dry and hard to access, making it tough to get water to the site of any potential blaze. Construction of four dams began in April, with three additional dams planned for 2021.

They will be accessible not only by our firefighting teams, but also by local fire authorities to fight any local flare-ups. We also have local helicopter crews ready to help with firefighting. The automatic weather stations on our land are owned by Fire Emergency New Zealand, providing both them and us with real-time data and daily fire indices.



McAlpines dam with a back drop of the Wairau Valley and OneFortyOne’s Marlborough forests



There were no fires in our New Zealand forests during 2020, although some of our silviculture crews did attend fires in the region. Our silviculture contractors train for several months each year to be able to fight fires in the steep, gorse-ridden slopes of our Nelson and Marlborough forests. The tough conditions mean physical fitness is imperative.

“We have some incredibly fit and well-trained firefighters, who are ready to help when they’re needed, but they can’t do it all on their own,” says Denis Parsons, Forest Operations Planner. “Taking a cooperative approach to fire readiness helps the whole region to spot and fight fires more effectively. It’s one of the ways we protect our people and our environment.”



Rai Silviculture crew gathered for fire training
Photo courtesy of Denis Parsons

Our forest certifications

Our plantations are internationally certified as sustainable and renewable, providing positive outcomes for communities and conservation. We are proud to maintain independent certification across all our forests – and to continuously improve our forest management processes.

In 2020, independent forestry auditors once again confirmed that our Green Triangle plantations meet the globally-recognised Australian Standard® for Sustainable Forest Management. This follows a comprehensive surveillance audit of our forest management practices and

our forests themselves. We are proud to have met this standard every year since 2013, and this is a vital part of ensuring we operate at the highest level.

“Sustainability is such an important part of what we do,” says Janeth Mackenzie, Planning and Compliance

Manager. “By managing our forests sustainably we ensure there is a long-term resource that can provide for all the generations that follow us.”

Positive feedback on our Green Triangle forestry management

Pandemic restrictions meant the first surveillance audit of the current 3-yearly certification cycle was split into a desktop review in June and a field audit in October.

The desktop audit positively highlighted “leadership and top management support with its focus on whole of business integration, organisational culture and shared mindset”. The auditor also noted the emphasis on regional development, specifically in education and the environment.

During the field audit, the auditor was pleased to see the strong relationships between our contractors and stakeholders. Additionally, the auditor was impressed with the initiatives on conservation projects, in particular, the recovery work completed in conservation areas in our Penola Forest plantation.

This is a great achievement, with zero non-conformances or observations found in these two audits.

“It’s a wonderful feeling to once again achieve certification – we work hard as a team to improve every year,” says Janeth.

Forests for all, forever

Our New Zealand operations were once again assessed as meeting the International Forest Stewardship Council (FSC®) certificate for forest management. Similar to the

Green Triangle plantations, the recertification was in two parts (desktop in June and a forest audit in July).

The FSC® is committed to ‘Forests for all, forever’, and sets out 10 principles of responsible forest management for compliance [see below]. Once again, our New Zealand forests met the criteria for these principles as assessed by independent auditors.

“A successful surveillance audit is always satisfying because it’s another confirmation that we’re managing our forests with an ethic of care and to high standards,” says Heather Arnold, Environmental Manager. “It’s about so much more than just the timber. These standards encompass everything from conservation to the working environment to sustainability for the long term. This is a good testament to our team’s hard work in a challenging year.”

The 10 Forest Stewardship Council principles

1. Compliance with the law
2. Workers’ rights and employment conditions
3. Indigenous peoples’ rights
4. Community relations
5. Benefits from the forest
6. Environmental values and impacts
7. Management planning
8. Monitoring and assessment
9. High conservation values
10. Implementation of management activities

“A successful surveillance audit is always satisfying because it’s another confirmation that we’re managing our forests with an ethic of care and to high standards.”

Heather Arnold
Environmental Manager



The kōura, or freshwater crayfish, is a native species that lives in many of OneFortyOne’s New Zealand forest streams.

Painted Button Quail (top): Photo by Bryan Haywood Nature Glenelg Trust

Credit: Cawthron Institute

Tracking our carbon footprint

We're working to support the environment by measuring our carbon balance sheet, producing long-lasting wood products, and using waste wood instead of fossil fuels.

Climate change is a critical global issue – in the drive to reduce emissions, measuring and monitoring the carbon footprint of businesses is essential. Forestry can help to support international, national and regional emission reduction objectives, and we aim to quantify our carbon footprint each year so we know exactly where we stand.

It's complex to measure the total carbon footprint for a business like ours, so we make use of the Forestry Industry Carbon Assessment Tool (FICAT™). Developed using data from the Intergovernmental Panel on Climate Change, FICAT™ allows us to measure the parts of our business that generate and sequester carbon to calculate our total carbon footprint.

In 2019 we tracked our carbon footprint from the previous year and found that during the 2018 annual period we were carbon negative, meaning that we sequestered more carbon than we emitted. This year we again applied the FICAT™ method, using 2019 carbon figures.

"We are working to understand how to measure and improve the carbon footprint of a complex forestry and timber business," says Kristie Paki Paki, Environmental Planner and leader of our Carbon Footprint Project.

"This helps us demonstrate how much our industry can achieve toward reducing carbon emissions."

Our FICAT™ calculations show our harvested wood products in 2019 will store more than 1,000,000 tonnes of CO₂ equivalent over the life of the products (before subtracting production-related emissions).

Improving our carbon calculator

In 2019, Kristie led a team that developed a carbon footprint assessment tool for the entire OneFortyOne business across Australia and New Zealand. This program allows us to track all the carbon producing or emitting aspects of the business, from each sapling in the nursery to every truck that delivers our products. It computes the total input and sequestration of carbon to give us a total net figure. It has been a valuable tool to help us understand how our forests and operations interact with carbon in the atmosphere.

Kristie has continued to develop this tool, and in 2020 she worked closely with stakeholders to develop a template to standardise key inputs and assumptions. This information must be accurate as it gives our reporting credibility and allows us to measure our improvements. The improved calculator maintains accuracy while also making it simpler to operate.

"We are working to understand how to measure and improve the carbon footprint of a vertically integrated forestry and timber business."

Kristie Paki Paki
Environmental Planner



1 million tonnes of CO₂ equivalent stored by our wood products

Over the lifetime of OneFortyOne's 2019 wood products, without accounting for production-related emissions, using FICAT™ calculations.

How our forests fight climate change

Our forests play three important roles in the fight against climate change:



1.

They act as sinks, sources and reservoirs of carbon. They interact with the atmosphere through growth and sequestration.



2.

They provide harvested wood products that store carbon over the lifetime of the product. At the end of its lifetime, timber stores carbon left in landfill, or returned to the atmosphere through decomposition.



3.

Wood and biomass we produce can be used instead of fossil fuels, either directly as a replacement fuel source or indirectly by replacing products that create higher emissions in their production.

We also spent time researching the relationship between forest growth, harvest level and our year-on-year carbon stocks.

In 2019 more trees were harvested on both sides of the Tasman than the estimated annual tree growth increment, which impacts the amount of carbon absorbed by our trees.

Why do carbon stocks increase some years and not others?

If we plant the same number of trees that we harvest each year, you might think that the carbon stocks would remain the same. But seedlings do

not sequester carbon at the same rate as an older tree, and we harvest some trees at different ages, which leads to variations in our annual carbon footprint.

Some years we may be carbon negative, other years, positive. Trees must be harvested at certain years of growth (age-class) to maintain forest health and produce specific products like structural timber.

There are also impacts from history and natural events. For example, when fires destroy trees it leads to plantations with uneven ages.

Our Green Triangle forests are still in a flux of carbon sink and emissions stemming from the 1983 Ash Wednesday bushfires – these events have long-reaching impacts.

In our New Zealand plantations, a spike in export log prices in 1994 led to new planting. Then the trend reversed as the Asian financial crisis hit, with a decrease in planting in the late 1990s. Since 2000, we've seen more consistent planting programs across the country, although the long-term outcomes of those earlier highs and lows are still being felt.

Over time we will reduce our emissions across the full business, and we expect to see our carbon stocks consistently increase. There will be ups and downs, but we're confident that the overall trend will be strongly positive.

Counting carbon in our inliers

In 2019, the Australian Forestry Standard auditor challenged us to expand our understanding of carbon storage to encompass all our estate areas.

Understanding our environment

This meant we needed to consider the potential carbon storage in our 4,443 hectares of inliers, wetlands and other areas not covered by plantations. We developed a method to estimate that carbon: we used geographic information systems to track changes over time, the quality of inliers as assessed by the Nature Glenelg Trust, and carbon storage calculations used by the South Australian Department for Environment and Water. Together this gave us the data we needed to add our additional estate carbon figures to our total calculations.

Demand for harvested wood stays strong

In the second quarter of 2020, it was forecast that the pandemic would lead to a drop in demand for timber products. However, our sawmills continued at planned levels, and there were surges in renovations and residential construction in both Australia and New Zealand. The products we create, such as timber for housing and fencing, have a lifespan of around 30 years, storing more carbon for longer than paper and cardboard, which typically lasts around two years.

Using biomass for energy at our sawmills

The Jubilee Sawmill uses every piece of each log that comes into the site. From sawn structural timber to the wood chips sent off to be made into paper, to the wood shavings that go into particleboard and the bark that heads off to a garden processor.

OneFortyOne 2019 Carbon Footprint

Net forest sequestration

-439,819 of CO₂-e*

Carbon stored in our wood products

1,036,424 tonnes of CO₂-e

Emissions

1,565,866 tonnes of CO₂-e

Net carbon emission

969,261 tonnes of CO₂-e

*more trees were harvested than the estimated annual tree growth increment

In FY2020, 78,000 tonnes of dry wood waste fuel was processed through two boilers producing enough steam to dry every stick of timber that goes through kilns. Some of this wood waste was purchased from other companies, utilising their waste wood fibre to produce energy.

Kaituna also uses its own waste wood to produce energy, and in 2020 started selling wood chips to a tomato-growing operation which uses them to heat greenhouses.



John Crowe, Boiler Attendant, watches over the boiler control room

27 tonnes of CO₂-e

Locked up by a typical New Zealand timber framed home with a floor area of 200 square metres**

**<https://www.scionresearch.com/about-us/about-scion/corporate-publications/scion-connections/past-issues-list/scion-connections-issue-34,-december-2019/locking-up-carbon-long-term-in-timber-buildings>

Operational highlights

Operational highlights

The past year brought challenges, but also successes. Across the organisation we have made improvements to our processes, supported our communities and looked for ways to raise our performance.

Revenue

Log prices dropped significantly in early 2020, as lockdowns impacted both demand and ease of trade. Prices have since recovered but that dip was reflected in our forest revenues, which were lower than in 2019. Our mills performed well as local demand for timber remained strong throughout the year, bringing in more revenue than they did in the previous year.

Business Unit	2020 (AUD)
Green Triangle Forest	\$176 million
Green Triangle Mill	\$220 million
Nelson Forest	\$128 million
Kaituna Mill	\$35 million
Total revenue	\$559 million

<\$9m

Down 53% on 2019

Capital metric spend

We invested significantly in our sites and people during 2019, including some big one-off projects. With those projects already funded and others delayed due to COVID-19 restrictions, our capital metric spend was less than half in 2020 compared to the previous year.

We are already planning some big projects for 2021 and beyond.

Volumes

0.354mm³

Timber sold by Jubilee Sawmill, up 8%

0.22mm³

Tonnes of chips exported by Jubilee Sawmill, up 6%

1.8mm³

Fibre sold by our Green Triangle Forest, down 5% on 2019

1.04mm³

Fibre sold by our Nelson forest, down 9%

0.042mm³

Lumber sold by Kaituna Sawmill, down 26%

0.05mm³

Chip sold by Kaituna Sawmill, up 66%

Planting our trees

4.7m

4.7 million trees planted in our Australian forests

1.7m

1.7 million trees planted in our New Zealand forests

1.5m

1.5 million seedlings were despatched for customer forests

5.5m

5.5 million seedlings were planted in our nurseries

Plantation timber domestic and export mix

During 2020, we supplied local processors with the wood fibre they needed to kick start the economy. At the same time, local construction boomed in both Australia and New Zealand.



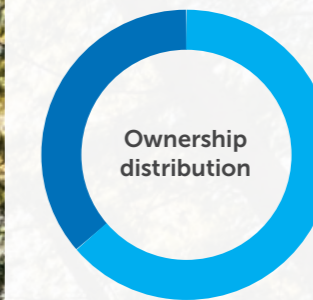
*Australia exports wood chip and pulp log



**Total revenue including external resources

Unaudited data. Valuations are to year end June 30, 2020

Owner distribution



500+

Direct employees across Australia and New Zealand

\$2.2bn

Valuation (AUD)

Our forest valuation remained stable

Research investments (specific projects and research levies)

AU \$324,358

NZ \$476,688

Leadership Team

The following people are responsible for developing and implementing OneFortyOne's strategic direction as well as overseeing business operations.



Mike Bloomfield
General Manager Sales and Marketing
Wood Products Australia



Peter Brydon
Chief People Officer



Nick Chan
Director Corporate Development
and Strategy



Cameron MacDonald
Executive General Manager Australia



Louise O'Connell
Strategy and Performance Manager
New Zealand



Glen Rivers
Chief Forester



Jessica Douglas
External Affairs Director



Anita Drake
Chief Financial Officer



Andy Giles-Knopp
Chief Executive Officer



Darren Sims
General Manager Finance Australia



Mick Theobald
General Manager Green Triangle Forests



Tracy Goss
General Manager Kaituna Sawmill



Brent Guild
Executive General Manager New Zealand



Paul Hartung
General Manager Jubilee Sawmill

Board of Directors



Sarah Carne
Director



Angie Davis
Director



John Gilleland
Chairman of the Board



Stan Renecker
Director



Dave Rumker
Director



Vanessa Stoddart
Director



James White
Director

Corporate Governance

OneFortyOne is committed to identifying, managing, minimising and eliminating risk as much as we can. Risk exists at every level and in every business – and every one of us has a role to play in keeping ourselves, our colleagues and our communities safe.

Our Board, Leadership Team and employees take governance very seriously: we operate responsibly, ethically and transparently.

Taking responsibility

At OneFortyOne, we have four governance committees, each chaired by a Board member. The tasks and responsibilities of the Governance Committees are defined in their charters, which are approved by the Board.

- Audit and Risk Committee, chaired by Board Director Angie Davis
- Finance Committee, chaired by Board Director James White
- Health, Safety and Environment Committee, chaired by Board Director Stan Renecker
- People Committee, chaired by Board Chairman John Gilleland.

Audit and Risk Committee

The role of the Audit & Risk Committee is to assist the Board to perform its duties by:

- assisting the Board to oversee and monitor, in greater detail than the full Board, the audit processes including the Company's internal control activities and policies of the Company;
- supporting the Board in maintaining the integrity of the Company's financial reporting;
- in relation to all risks which may impact the Company (excluding those risks which are expressly included as responsibilities in the Charters of other Board Committees);

- understanding such risks and impacts arising out of the activities and operations of the Company;
- ensuring that the Company and officers of the Company effectively discharge their duties in relation to such risks;
- reviewing and making recommendations in relation to the adequacy of internal and external resources used by the Company to manage key risks; and
- reviewing and monitoring policies, systems and governance structures for the assessment, management and mitigation of such risks which are material to the Company.

The Audit and Risk Committee met four times during 2020.

Finance Committee

The role of the Finance Committee is to assist the Board to perform its duties and consider all matters pertaining to the financial arrangements of the Company in greater detail than the full Board agenda allows.

The Finance Committee met five times during 2020.

Health, Safety and Environment Committee

The role of the HSE Committee is to assist the Board to perform its duties by:

- understanding the key health, safety and environmental risks and impacts arising out of the activities and operations of the Company;
- ensuring that the Company and officers of the Company effectively discharge their duties in relation to such risks;
- reviewing and making recommendations in relation to the adequacy of internal and external resources used by the Company to manage health, safety and environmental issues; and
- reviewing and monitoring policies, systems and governance structures for the assessment, management and mitigation of health, safety and environmental risks which are material to the Company.

The Health, Safety and Environment Committee met five times during 2020.

Corporate Governance

People Committee

The role of the People Committee is to assist the Board to perform its duties by:

- ensuring that the Company's leadership, talent management, succession, reward, inclusion, engagement, culture and diversity policies and programs are progressive, current and aligned with strategy;
- making recommendations to the Board in relation to the remuneration of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), and approving the remuneration of other members of the Executive team;

Formerly known as the Remuneration Committee, the People committee met seven times during 2020.

Internal audits

During 2019 OneFortyOne established an in-house internal audit function, reporting to the chair of the Audit and Risk Committee. That auditing process provides independent assurance on OneFortyOne's risk management and internal control processes.

The internal audit function performed five internal audits during 2020 to ensure we are meeting our responsibilities to our people and complying with all relevant regulations.

Tax Transparency Statement

OneFortyOne is a private company which carries out operations in Australia and New Zealand. The Australian wholly-owned entities form a tax consolidated group where OneFortyOne Plantations Holdings Pty Ltd is the head entity.

Tax risk management is governed by OneFortyOne's tax policy that ensures our corporate governance obligations are met. We have a low-risk tax strategy and are committed to:

- complying with all relevant laws, rules, regulations, and reporting and disclosure requirements.
- applying professional diligence and care in the management of all tax risks.
- fostering constructive, professional and transparent relationships with tax authorities, based on the concepts of integrity, collaboration, mutual trust and safeguarding the company's reputation.

OneFortyOne Group has paid all taxes that it owes, all tax compliance obligations are up to date and all information has been disclosed to the tax authorities as required and in a timely manner.

In Australia, we are eligible for tax deductions. These deductions are supported by the ATO Taxation Ruling TR 95/6 and relate to the cost of acquiring the right to fell trees from the South Australian Government which we purchased in 2012. In time these deductions will be utilised, with the expectation that our Australian operations will pay corporate income tax.

OneFortyOne's income for 2020 includes the revaluation of the forest estate. This income is not assessable for tax until the sale of the revalued trees has been realised.

The Australian Taxation Office (ATO) concluded a top 1000 streamlined income tax assurance review of OneFortyOne's Australian businesses in September 2020. We are pleased to report that the ATO is satisfied that the correct income tax outcomes were reported in our income tax returns for the period under review.

Home Safe & Well

Passionate about the wellbeing of our people, contractors and partners.



At OneFortyOne, we are driven to ensure that every person comes to work and goes Home Safe and Well every day. We are committed to nurturing and protecting wellbeing through equal consideration of our physical, mental and emotional health.

We recognise that mental and emotional health can be a significant contributor to increasing the risk of workplace incidents. Therefore, caring for them is as important as protecting our physical health.

Together with our employees, contractors and partners, we are building a better quality of life and reducing the risk of harm for all.

We are committed to developing and maintaining business systems that enable us to share, learn and improve our performance in a consistent, efficient and effective manner.

Our behaviours

At OneFortyOne we will:

- Not encourage or prioritise productivity over wellbeing.
- Encourage honesty and transparency when raising, discussing and solving wellbeing challenges.
- Act in a collaborative and constructive manner.
- Show genuine care for all involved and through their recovery when incidents do occur.
- Meet all legislative Health and Safety requirements as a minimum and every employee, contractor or partner has the right to refuse work if they believe it is unsafe.

Our leaders

At OneFortyOne our leaders are accountable for people's wellbeing and you can expect that they will:

- Proactively live our Home Safe and Well commitment.
- Build an empowered environment that encourages all to join into an open dialogue about how we deliver home safe and well together.
- Provide adequate resources to nurture everyone's wellbeing.
- Transparently share our performance and strive for ongoing improvement.

Our people

To deliver Home Safe and Well requires everyone to passionately embrace and participate in our wellbeing culture. We all share a responsibility for each other's wellbeing and therefore must be committed to:

- Always behaving in a safe manner and encouraging others to do so.
- Ensuring that all employees are competent or under training (and appropriately supervised) to undertake all tasks in a safe manner.
- Actively participate in wellbeing discussions, programs and training.
- Consistently contribute to how we can collectively improve our wellbeing.
- Always identify hazards, report incidents and contribute to mitigating risks.

Together we can all go **Home Safe and Well** every day.

Modern Slavery

The excerpt below is taken from OneFortyOne's Modern Slavery Statement.

OneFortyOne is committed to operating responsibly and establishing and adhering to the highest ethical standards across our Group. We will not tolerate any forms of modern slavery in our business.

OneFortyOne considers the risk of modern slavery within its operations to be low. However, OneFortyOne recognises through its supply chain it could be indirectly exposed to the risk of modern slavery practices.

Operations and Supply Chain

OneFortyOne's worksites are located in Australia and New Zealand. Our manufacturing facilities are covered by either an enterprise bargaining agreement or a collective bargaining agreement. These agreements appropriately cover usual matters such as wages, overtime, allowances, leave and redundancies. OneFortyOne engages with the CFMEU, an Australian industry employee trade union, in respect of represented Australia employees and First Union, a New Zealand industry employee trade union, in respect of represented New Zealand employees. There have been no disputes with any trade unions involving any modern slavery type allegations. OneFortyOne's other employees are employed under and in compliance with relevant industry awards or individual contracts. No Australian employees are temporary visa workers. In New Zealand, we have seven temporary visa workers employed under our collective bargaining agreement at Kaituna Sawmill.

Our supply chain is made up of a large number of third-party providers many of which are small and medium sized enterprises but also include multinational corporations. We procure a range of goods, from uniforms and PPE through to timber milling equipment, and engage a range of service providers to perform harvesting, silviculture, forest road maintenance, export log marketing, engineering, maintenance, transport, and logistics. The majority of suppliers are located in Australia and New Zealand, with a smaller portion based in the US and Canada.

The majority of OneFortyOne's suppliers are well reputed local companies, with which OneFortyOne has had regular and close dealings over a long period of time. Suppliers working at OneFortyOne's operated assets are required to comply with our health, safety and environmental standards and fair employment practices.

OneFortyOne has taken steps to implement modern slavery clauses in supplier contracts where possible and updated contract templates to include modern slavery provisions.

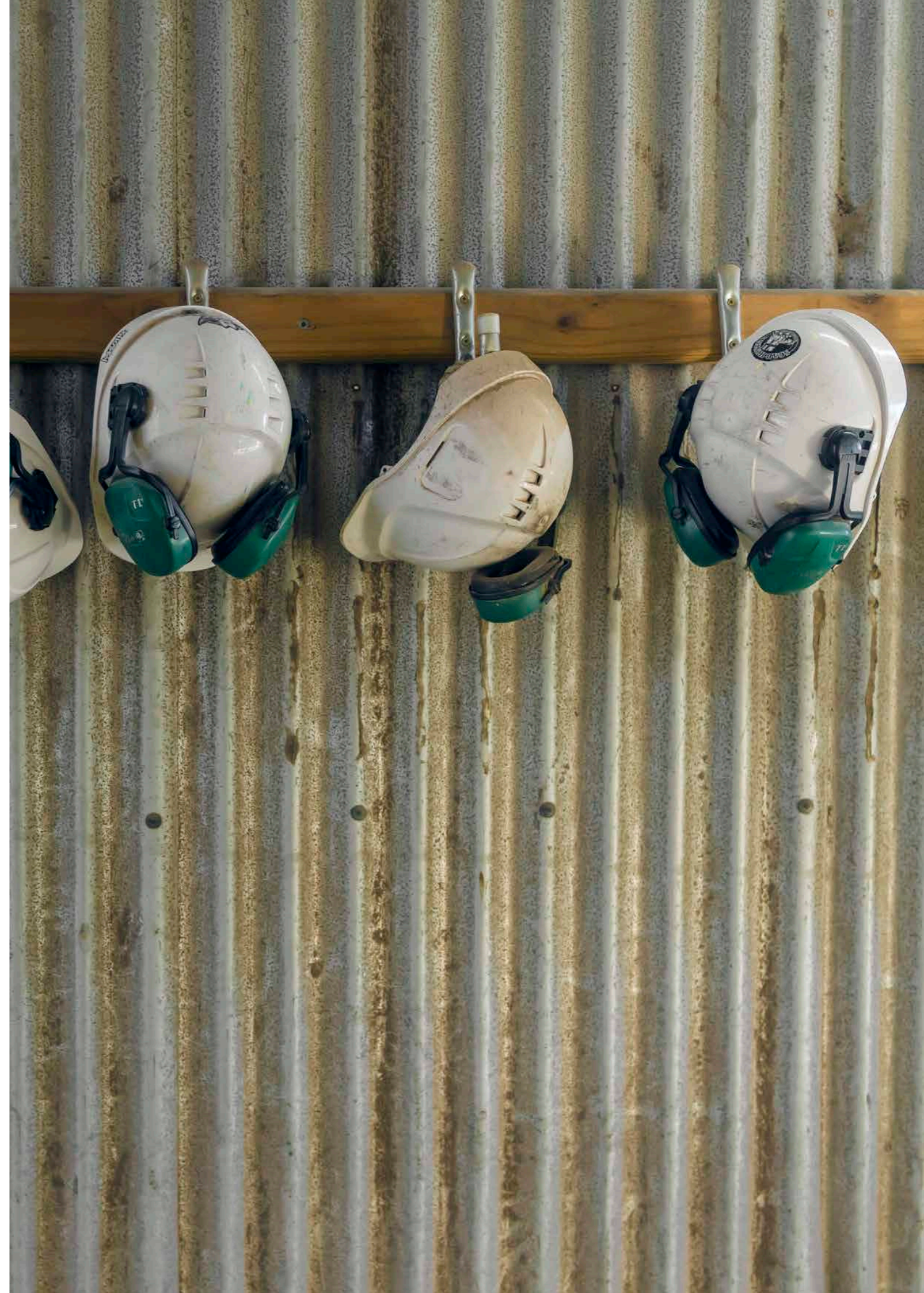
Our Certification

We are strongly committed to the regional forest industries and the communities of which we are a part. Our Australian forest estate is certified to the internationally recognised Responsible Wood Certification Scheme (AS4708), which is endorsed by the Programme for Endorsement of Forest Certification (PEFC). This scheme requires OneFortyOne to demonstrate that all forest workers are engaged freely, are duly compensated and in compliance with legal obligations creating minimum employee entitlements.

Our New Zealand forest estate is certified to the internationally recognised Forest Stewardship Council Certification (FSC-STD-NZL-01-2012 New Zealand plantations EN). The standards required by FSC certification impose certain standards in relation to workers' rights including the requirement to promote and realise the principles outlined within International Labour Organisations Conventions (ILO Conventions).

Our sawmills in both Australia and New Zealand maintain a chain of custody system that complies with all the relevant requirements of FSC Chain of Custody Standards (FSC-STD-40-004) and PEFC ST 2002:2013. This means that OneFortyOne avoids trading or sourcing logs or wood fibre from forests managed in a way, which violates traditional and human rights and/or any of the ILO Conventions (as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998). The Chain of Custody Standards also impose the requirement to promote and realise the workers' rights outlined within ILO Conventions.

Please check our website for more information on OneFortyOne's Modern Slavery Statement.



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