

Table 1 Risk Assessment for Mixing Material with Unacceptable Sources

Process	Current Risk Mitigation Measures	Risk	Additional Risk Mitigation	Residual Risk	Evidence
Transport of material directly from third party forest to Forico facility	<ul style="list-style-type: none"> All roundwood loads delivered to SHM & LRM are transported directly from the forest and have delivery documentation. Every harvest operation is authorised by Forico through the issuance of an Operation Number. This identifies the species / origin / certification status of input material. Weighbridge software platform (<i>iveigh and LOGR</i>) validates that material can be accepted at the Forico facility. All material inputs are captured within the Forico Wood Supply System software platform. 	LOW / Negligible	<p>Field verification audits at supply unit confirm required documentation.</p> <p>GIS Geo-fencing of operations identifies the location where loading takes place, and relates it to a valid operation number, which is checked upon arrival at the mill.</p>	LOW / Negligible	Delivery documentation with required information. Field verification audit reports. Wood Supply System reconciliation and <i>iveigh</i> validation. Annual Forico internal and external Chain of Custody audit to demonstrate compliance to the Standard requirements.
Transport of material (certified or non-certified) directly from forest to outsourced processing facility	<ul style="list-style-type: none"> All roundwood loads delivered to outsourcing facility are transported directly from the forest and have delivery documentation. Every harvest operation is authorised by Forico through the issuance of an Operation Number. This identifies the origin. 	LOW / Negligible	<p>Field verification audits at supply unit confirm required documentation.</p> <p>All processing facilities are issued with a "Daily Valid Operation Number" (DVON) Schedule that determines which plantation sources can be accepted.</p>	LOW / Negligible	Delivery documentation with required information. Field verification audit reports. Daily reconciliation of material delivered to outsourcing facility occurs by Forico Representative against the DVON list.
Entry to the Forico or Outsourced facility	<ul style="list-style-type: none"> Trucks can only enter the mills via the Weighbridge. Loads are physically checked by the Weighbridge Representative to determine that input material originates from a plantation resource. Upon entry to the weighbridge, the truck driver must comply with facility weighbridge procedures, including the validation of the Operation Number (determine plantation source). All delivery documentation must be signed by the truck driver and Weighbridge Representative. 	LOW / Negligible	<p>Transport contractors are inducted at each facility to ensure they understand their roles and responsibilities and the site procedures.</p> <p>All processing facilities are issued with a "Daily Valid Operation Number" (DVON) Schedule that determines which plantation sources can be accepted. Incorrect delivery documentation results in the plantation material not being accepted.</p>	LOW / Negligible	Delivery Dockets with required information. Cross checking weighbridge data with hard copies against the DVON list.
Processing and storage at the Forico facility	<ul style="list-style-type: none"> Only processing plantation species. Site controls and weighbridge procedures. 	LOW / Negligible	<p>All operators on site are inducted at each facility to ensure they understand their roles and responsibilities, and site procedure.</p> <p>Annual Forico internal and external Chain of Custody audit to demonstrate compliance to the Standard requirements.</p>	LOW / Negligible	Weighbridge procedure.
Processing and storage at outsourced facilities	<ul style="list-style-type: none"> Batch processing and storage of Forico plantation material 	Potential (if (i) outsourced	Outsourced facilities must sign and agree to comply with	LOW / Negligible	Compliance with criteria contained within the

	<ul style="list-style-type: none"> Site controls and weighbridge / facility procedures. Outsourcing Chain of Custody procedures detailing obligations and commitments. 	facility is certified and facility's FSC certificate expires or is suspended or (ii) does not follow outsourcing procedures)	requirements of the Certification Standard. Biannual certificate validation to ensure facilities have a current FSC certificate. Outsourcing audits of the facility. Annual Forico internal and external Chain of Custody audit to demonstrate compliance to the Standard requirements.		Outsourcing Agreement. Photographic evidence provided on a regular basis to determine compliance. Certificate validation records (if the site is certified). Outsourcing audit reports.
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Procedure for Filing Complaints:

Anybody with a complaint regarding Forico's Due Diligence System can contact Simon Cook – Sustainability Manager

T +61 3 6335 5201 M +61 428 349 056

E simon.cook@forico.com.au

Stakeholders should include sufficient information regarding the nature of the complaint so that Forico is able to assess and respond. All complaints are handled according to the Forico's publicly available Complaint and Dispute Resolution Procedure, available on the Forico website (www.forico.com.au).

Control Measures

As there is specified / significant risk in Tasmania for category 4 (conversion) and categories 3.4 and 3.6 (management threats to high conservation values), Forico must implement risk control measures. Table 2 is a summary of the control measures by risk assessment indicator.

Table 2 Summary of Risk Controls for Category 3 - High Conservation Values potentially threatened by management activities and Category 4 – Conversion of native forest to plantations.

Risk Indicator	Control Measures	Desired Outcome
Forest management activities in the relevant level (eco-region, sub-eco region, local) do not threaten eco-regionally significant high conservation values. HCVs are identified and assessed.	Forico 'approval process' of suppliers and issuance of a unique Operations Number for each new plantation.	Only approved suppliers enter processing facilities which limits the risk of unknown material being mixed.
	Certified Forest Practices Plan.	HCV 4 and HCV 6 are identified in the FPP.
A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs at the ecoregion.	Public and Private Reserves on all tenures are identified on publicly available spatial database (LISTMap). Certified Forest Practices Plan.	Existing reserves are taken into account by planners, enabling connectivity of habitat to be considered. HCV 4 and HCV 6 are identified in the FPP and control

Strong stakeholder support.		measures to ensure they are protected are implemented.
	Field audits in high-risk scenarios.	Field audits confirm values are protected from harvesting operations.
Conversion of forests to plantations or non-forest use does not occur.	Forico only accept/ process plantation material, as verified through the FPP.	The FPP confirms no conversion is occurring, and plantation material only is being harvested.
Mixing of Forico product with unacceptable material at outsourcing facilities does not occur.	<ul style="list-style-type: none"> • Batch processing and storage of Forico plantation material • Site controls and weighbridge / facility procedures. • Outsourcing Chain of Custody procedures detailing obligations and commitments. • Outsourced facilities must sign and agree to comply with requirements of the Certification Standard. • Biannual certificate validation to ensure facilities have a current FSC® certificate. • Outsourcing audits of the facility. 	Annual Forico internal and external Chain of Custody audits demonstrate compliance to the Standard requirements.

Stakeholder Consultation

Forico conducts a periodic process of stakeholder consultation. This involves identifying interested or affected stakeholders and sending emails directly to individuals to seek feedback. Stakeholders are provided with Forico’s assessment of the processes in place for identifying and managing HCVs. Stakeholders are asked to comment on any concerns regarding third-party Suppliers and the Supply Area and if control measures are adequate to mitigate the risks to HCV’s, specifically HCV 3.4 and 3.6. Feedback will be provided to participating stakeholders within 60 days of the end of the consultation period.

The consultation relates to the forest management activities of Forico’s Suppliers for the previous calendar year. Stakeholders are requested to provide comments or feedback within six weeks.

Stakeholder Groups invited to participate in the consultation process included:

Economic Interests

- Forest Owners / Managers;
- Forest Contractors;
- Representatives of forest workers and forest industries; and
- FSC Certificate Holders.

Social Interests

- NGOs involved or with interest in social aspects of forest management and other related operations;
- Forest Workers;
- International, national and local trade / labour unions;
- Representatives of local communities involved or with an interest in forest management, including those relevant for HCVs 5 and 6;
- Representatives of Indigenous Peoples and/or traditional peoples (if present and/or holding rights), including those relevant for HCVs 5 and 6; and
- Representatives of recreational interests.

Environmental Interests

- NGOs involved or with an interest in the environmental aspects of forest management:
 - Biological diversity;
 - Water and soil;
 - HCVs 1 – 4.
- Local communities and Indigenous Peoples representatives (HCVs 5 and 6).

FSC-accredited Certification Bodies Active in the Country

National and State Forest Agencies

Experts with Expertise in Controlled Wood Categories

Representatives of Forest Workers and Forest Industries

FSC Regional Offices

At the conclusion of the latest comprehensive DDS stakeholder engagement process (10 March 2022) no formal responses were received, therefore the necessity to provide feedback to participants was not required.

Forico will continue to implement appropriate control measures including field audits, and consulting with stakeholders and experts as required.

The public DDS Report will be updated at the end of this period, with an updated version of the DDS supplied to Forico’s Certification Body to update the FSC Certification Database.

Expert Opinion

Forico has engaged Environmental Consulting Options (ECOTas) to provide expert opinion on the adequacy of Forico’s control measures associated with the DDS.

The most recent expert review concluded in a letter dated 2 January 2022 “*In my opinion, the latest DDS (V4) provides an appropriate and adequate consideration of the risk to high conservation values associated with purchasing third-party material from sources that do not form part of the Forico Supply Unit.*”

Verification Audits

Forico has undertaken two field verification audits of Suppliers since the previous Public Summary was published on 13 February 2023. Additionally, an internal desktop audit and an independent external audit of the Forico Chain of Custody System has been conducted. No issues were reported, and no audit findings were recorded.


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Conclusion

Based on the controlled measures implemented to mitigate risk as part of the DDS, Forico is confident that the material sourced from third-party Suppliers in Tasmania can be used as controlled material or sold with the FSC Controlled Wood claim.

DATE APPROVED: 5 March 2024

Signatures:

Controlled Document Approved:	I hereby state that I have found no errors in the contents of this controlled quality document. The document is ready for release.	
Name:	Simon Cook FORICO\cooks <i>Simon Cook</i>	Title:
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