

Public Summary of Forico Pty Limited Due Diligence System – 2022

Forico Pty Limited (Forico) are required to provide to their Certification Body a written summary of the Due Diligence System (DDS) on an annual basis, containing the following information:

Description of Supply Area

In 2021 Forico have sourced plantation material from the state of Tasmania only.
This will continue to be the case in 2022.

Controlled material has been supplied in recent years from the following non-FSC® suppliers:

- AKS Forest Solutions;
- Reliance Forest Fibre;
- SFM Forest Products (including the Lenah Estate); and
- Private small, low intensity, managed forests (SLIMFs) from time to time

Forico may use other Suppliers, in accordance with the controls present in Forico's Due Diligence System.

Applicable Risk Assessment for the Origin

Australia has one risk assessment referred to as National Risk Assessment (NRA) FSC-NRA-AU V2.0 August 2021. This is available through the FSC® Australia website [FSC Australia Controlled Wood Risk Assessment](#).

Risk Designation for the Origin (FSC-NRA-AU) in Tasmania

Specified Risk:

- Controlled wood category 3.4 - HCV 4 – Critical Ecosystem Services.
- Controlled wood category 3.6 - HCV 6 – Cultural Values.
- Controlled wood category 4 – Forests being Converted to Plantations or Non-forest Use.

Low Risk:

- Controlled wood category 1 – Illegally harvested wood.
- Controlled wood category 2 – Areas where traditional and civil rights are being violated
- Controlled wood categories 3.1, 3.2, 3.3 and 3.5 (HCV 1, HCV 2, HCV 3, HCV 5).
- Controlled wood category 5 – Genetically modified material.

Risk Assessment for Mixing Material with Unacceptable Sources

Forico are required to assess the risk of controlled material being mixed with unacceptable sources in the supply chains during transport, processing and storage. Table 1 illustrates this risk assessment for suppliers and sub-suppliers.

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. 	LOW / Negligible	Field verification audits at supply unit confirm required documentation.	LOW / Negligible	Delivery documentation with required information. Field verification audit reports.

	<ul style="list-style-type: none"> 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. 		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.		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	Field verification audits at supply unit confirm required documentation. All processing facilities are issued with a "Daily Valid Operation Number" (DVON) Schedule that determines which plantation sources can be accepted.	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	Transport contractors are inducted at each facility to ensure they understand their roles and responsibilities and the site procedures. 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.	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	All operators on site are inducted at each facility to ensure they understand their roles and responsibilities, and site procedure. Annual Forico internal and external Chain of Custody audit to demonstrate compliance to the Standard requirements.	LOW / Negligible	Weighbridge procedure.
Processing and storage at outsourced facilities	<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. 	Potential (if (i) outsourced facility is certified and facility's FSC certificate expires or is suspended	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.	LOW / Negligible	Compliance with criteria contained within the Outsourcing Agreement. Photographic evidence provided on a regular basis to determine compliance.

		or (ii) does not follow outsourcing procedures)	Annual Forico internal and external Chain of Custody audit to demonstrate compliance to the Standard requirements.		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 contained 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. Strong stakeholder support.	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 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 an annual 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.

The consultation relates to the forest management activities of Forico’s Suppliers for 2021 calendar year. Stakeholders are requested to provide comments or feedback within six weeks.

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

Feedback will be provided to participating stakeholders within 60 days of the end of the consultation period.

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 expert review concluded “*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 during the calendar year 2021 in addition to an internal assessment and an external independent audit of the Forico Chain of Custody System. The table below describes the one issue reported:

Date	Issue	Corrective Action
December 2021	Threatened flora species <i>Pimelia flava subsp. flava</i> present in supply unit was documented in planning phase and managed well in the field, but not declared on Timber Source Declaration form.	Supplier notified re discrepancy in this instance; role and importance of Timber Source Declaration Form re-iterated.

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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