

<b>Organisation Name</b>	Midway Tasmania Pty Ltd
<b>Organisation Head Office</b>	Suite 42, Level 4, 85 Macquarie Street, Hobart TAS 7000
<b>Authorised Representative</b>	Steven Fox
<b>FSC Certification Body</b>	Global-mark
<b>DDS Summary</b>	
<b>Procedure</b>	Due Diligence System – Sourcing Controlled wood FSC-STD-40-005 V3-1 EN (Doc 2356) Available in Midway Tasmania’s <a href="#">public folder</a>
<b>Wood Supply Area</b>	<u>Bio-regions</u> – BEL, FLI, TCH, TNM, TNS, TSE bioregion (refer IBRA V7) <u>Eco Regions</u> Temperate Broadleaf and Mixed Forests. <u>Supply Unit</u> - Tasmania. Native logs sourced from native regrowth thinning of Sustainable Timber Tasmania managed land and native selective harvest on private land zone Permanent Timber Production Zone (PTPZ).
<b>Risk Assessment Summary</b>	
Risk of Origin - FSC risk assessment(s)	FSC National Risk Assessment for AUSTRALIA, FSC-NRA-AU V2-0
Risk of mixing	Stumpage inputs – Low Risk - Forest direct delivery to site Millgate inputs – Low Risk - Signed agreement with input supplier only permitting eligible inputs - Forest direct delivery to site

<b>Risk Designation (as relevant to PMP plantation wood supply)</b>	
Controlled Wood category & Sub-category	FSC Risk designation for Australia (including functional scale where relevant)
<b>1. Illegally harvested wood</b>	
1.1 Land tenure and management rights	Low risk
1.2 Concession licences	Low risk
1.3 Management & harvest planning	Specified risk: Northern Territory, Low risk: all other States and Australian Capital Territory.
1.4 Harvest permits	Specified risk: Australian Sandalwood ( <i>Santalum spicatum</i> ) Low risk: All other species
1.5 Payment of royalties and harvest fees	Low risk
1.6 Value added taxes & other sales taxes	Low risk
1.7 Income & profit taxes	Low risk
1.8 Timber harvesting regulations	Low risk
1.9 Protected sites and species	Low risk
1.10 Environmental requirements	Low risk
1.11 Health & safety	Low risk
1.12 Legal employment	Low risk
1.13 Customary rights	Low risk
1.14 Free prior & informed consent	Low risk

1.15 Indigenous peoples rights	Low risk
1.16 Classification of species, quantities, qualities	Low risk
1.17 Trade & transport	Low risk
1.18 Offshore trading & transfer pricing	Low risk
1.19 Customs regulations	Specified risk: Australian Sandalwood ( <i>Santalum spicatum</i> ) Low risk: All other species
1.20 CITES	Low risk
1.21 Legislation requiring due diligence/due care procedures	Low risk
<b>2. Wood harvested in violation of traditional and human rights</b>	
2.1 The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.	Low risk
2.2 Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.	Low risk
2.3 The rights of Indigenous and Traditional Peoples are upheld.	Low risk
<b>3. Wood harvested from forests in which high conservation values are threatened by management activities</b>	
Indicator 3.0	Low risk
Indicator 3.1 HCV1	Specified risk (Native)
Indicator 3.2 HCV2	Specified risk (Native)
Indicator 3.3 HCV3	Specified risk (Native)
Indicator 3.4 HCV4	Specified risk (Native and plantation)
Indicator 3.5 HCV 5	Low risk
Indicator 3.6 HCV 6	Specified risk (Native and plantation)
<b>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</b>	
4.1 Conversion of natural forests to plantations or non-forest use in the area under assessment is less than 0.02% or 5,000 hectares average net annual loss for the past 5 years (whichever is less)	Specified Risk for all States and Territories except ACT
<b>5. Wood harvested from forests in which genetically modified trees are planted</b>	
5.1 GMO context questions 1-8	Low risk

Complaints Summary	
Procedure	Making a complaint or enquiry Midway Tasmania Doc 2370 Available in Midway Tasmania’s <a href="#">public folder</a>
Responsibilities	Manager Midway Tasmania
Contact information Letter	Manager Midway Tasmania C/O Corporate Centre, Suite 42, Level 4, 85 Macquarie Street, Hobart, TAS, 7000
Telephone	(03) 5277 9255
Email	<a href="mailto:fscenquiries@midwaytasmania.com.au">fscenquiries@midwaytasmania.com.au</a>

Control measures for indicators not designated as Low risk	
Indicator	Control
1.4 Harvest Permits	<ul style="list-style-type: none"> <li>○ Native/wild WA Sandalwood is confined to central and southern WA extending east into SA as far as the northern Flinders Ranges and hence does not occur in the supply area;</li> <li>○ Midway Tasmania does not harvest Sandalwood;</li> </ul>
1.5 Payment of royalties and harvest fees	
1.19 Customs regulations	
3.1 Species Diversity, 3.2 Landscape-level ecosystems and mosaics, 3.3 Ecosystems and habitats, 3.4 Soil & Water, 3.6 Cultural	<p>Wood supply purchase and accounting</p> <ul style="list-style-type: none"> <li>○ Implement DDS and conduct HCV assessment on forest direct non-FSC certified wood supply (Controlled Wood);</li> <li>○ Wood supply agreements impose obligations regarding “origin of supply” and protection of HCV values. Wood supply specification on suppliers. Midway Tasmania maintains details of approved suppliers;</li> <li>○ Delivery dockets enable tracing of wood deliveries to origin. Authorised access to weighbridge and surveillance. Dockets and weigh bridge transactions checked daily and reconciled monthly against sales invoices.</li> </ul> <p>Pre-Harvest Site Assessment</p> <ul style="list-style-type: none"> <li>○ Check the known/likely presence HCVs for each harvest site:                             <ul style="list-style-type: none"> <li>- Conduct desktop search of national and state databases for HCV.</li> </ul> </li> <li>○ Conduct field inspections to confirm desktop search and to check for any further HCV.</li> </ul> <p>Stakeholder consultation</p> <ul style="list-style-type: none"> <li>○ Consult landowners and neighbours for local information on the presence of HCV;</li> <li>○ Consult other stakeholders periodically to inform of Midway Tasmania’s implementation and review of the DDS.</li> </ul>

	<p>Forest Practices Plan (FPP)</p> <ul style="list-style-type: none"> <li>○ Clearly mark the location of identified HCV on FPP operational maps;</li> <li>○ Specify control measures to protect identified HCVs such as exclusion zones, buffers and other operational constraints;</li> <li>○ Identify control measures in the field where required;</li> </ul>
	<p>Harvest Implementation and Monitoring</p> <ul style="list-style-type: none"> <li>○ Induct forest workers on-site;</li> <li>○ Communicate site specific HCV and control measures to forest workers;</li> <li>○ During operations, forest workers assist in the identification of any new HCVs on-site. Should a potential new HCV be identified or an HCV is (or likely to be) impacted by operations they are to immediately notify the harvest supervisor.</li> <li>○ Midway Tasmania has response procedures for investigating, assessing and addressing HCV issues or concerns;</li> <li>○ Conduct periodic harvest inspections to confirm that identified HCVs remain protected from operations and in compliance with the relevant timber code.</li> </ul>
	<p>Verification audits</p> <ul style="list-style-type: none"> <li>○ Conduct verification audits periodically on a select number of random supply units;</li> <li>○ Independent verification audits are conducted by the certification body.</li> </ul>
4.1	<ul style="list-style-type: none"> <li>○ Field inspections and documentation verification demonstrate no conversion wood is entering the supply chain.</li> </ul>

Expert Engagement Summary	
<b>Engagement of Expert(s) in the Development of Control Measures</b>	Midway Tasmania engaged Environmental Consulting Options Tasmania (ECOTas) in April 2020 to conduct an expert review of Midway Tasmania’s Due Diligence system to determine the adequacy of control measures for HCV protection.

Summary of Stakeholder Consultation - 2020
<p>In March 2020, Midway Tasmania conducted a stakeholder consultation process to seek comments from potentially affected and/or interested stakeholders regarding the protection of High Conservation Values aspects associated with Midway Tasmania’s wood supply. The public consultation commenced on 25<sup>th</sup> March 2020 and finished on 24<sup>th</sup> May 2020. Midway Tasmania’s stakeholder consultation was advertised on FSC Australia’s ‘Audit Notification &amp; Stakeholder Consultations’ page for the duration of stakeholder consultation period enabling the general public to submit comments.</p> <p>Midway Tasmania invited 98 stakeholders directly to participate in the stakeholder consultation, including landowners, contractors, Landcare and environment groups, recreational groups and additional shires and councils in areas of Midway Tasmania’s wood supply. The stakeholders invited represented one or more of the groups listed under Annex B of FSC-STD-40-005 relevant to HCV (see table 1 below).</p>

**Table 1 - MIDWAY TASMANIA - Stakeholder Groups Invited to Participate in 2020 Stakeholder Consultation (total stakeholders 98)**

Interest	Stakeholder Group	No. Groups Invited
Economic	3.1a Forest owners and/or managers	22
	3.1b Forest contractors	10
	3.1c Forest worker and industry representatives	4
	3.1d Certificate holders	5
Social	3.2a NGOs involved or with an interest in social aspects of forest management and other related operations	10
	3.2b Forest contractors (including loggers)	12
	3.2c Representatives of forest workers and forest industries	3
	3.2d Representatives of local communities involved or with an interest in forest management, including those for HCVs 5 and 6	19
	3.2 e Representatives of Indigenous Peoples and/or traditional peoples (if present and/or holding rights), including those relevant for HCVs 5 and 6	5
	3.2f Representatives of recreational interests	20
Environmental	3.3a NGOs involved or with an interest in the environmental aspects of forest management	15
	3.3b Local communities and Indigenous Peoples' representatives (HCVs 5 and 6)	5
Other	3.4 FSC-accredited certification bodies active in the country	7
	3.5 National and state forest agencies	3
	3.6 Experts with expertise in controlled wood categories	18
	3.7 Research institutions and universities	2
	3.8 FSC regional offices, FSC network partners, registered standard development groups and NRA working groups in the region	2

The 98 stakeholders were notified in writing via email and on-line submission and were provided with relevant supporting documentation. Responses were received from four (4) stakeholders whom expressed no concerns with Midway Tasmania's wood supply regarding HCV protection. Two additional stakeholders submitted requests to be removed from the stakeholder list.

One stakeholder provided a summary of the legislation and statutory requirements regarding Aboriginal Heritage requirements in Tasmania.

Private Forests Tasmania (PFT) also responded via letter providing a broad overview of the Forest Practices and Code in Tasmania and also commented that PFT knows Midway Tasmania and their suppliers to be experienced and skilled in managing biodiversity, forest ecosystem health, soil and water, cultural and heritage values during all aspects of forest management. PFT noted that it sees no reason that material supplied by Midway Tasmania cannot meet the stringent requirements of the FSC® Chain of Custody and Controlled Wood Standards.

Based on the received during the stakeholder consultation period and from its own Due Diligence System checks, Midway Tasmania is confident its wood supply is not adversely impacting on HCVs and there is negligible risk of mixing controlled material with non-eligible inputs.

## Summary of Field Verification - 2021

Field verifications Audits were conducted across four harvest coupes consisting of one softwood plantation and three native forest operations in December 2021. The field verification audits were conducted at the following locations:

- Softwood plantation near Millers Bluff
- Native regrowth thinning operation near Mount Connection
- Native selective harvest operation near Waddamana
- Native selective harvest operation near Steppes

The audits involved a review of Forest Practices plans (FPPs), harvest monitoring documents and on-site inspections to assess whether High Conservation Values (HCVs) associated with Midway Tasmania's wood supply are satisfactorily identified and protected.

Midway Tasmania uses several publicly available government databases and information to identify HCVs associated with their wood supply. HCVs include protected conservation areas, waterways, registered aboriginal sites / places, threatened flora and fauna species and critical ecological communities and habitats.

Field verification audits confirmed that HCVs were well managed with no significant areas of concern identified. The audit observed prescriptions for wildlife habitat strips and wildlife habitat clumps as defined in the forest practices plans clearly marked with flagging tape and boundaries adhered to. At the plantation near Steppes pieces of flagging tape were observed on the group as a result of browsing by deer, however it was advised that contractors were aware of the location of the wildlife habitat clump which was also segregated from the harvest area via a road. No evidence on machine encroachment or activity within the wildlife habitat clump was observed.

Review of FPPs identified the potential threatened and/or endangered species at Mount Connection, Waddamana and Steppes. Management prescriptions sourced from the Forest Practices Authority's threatened fauna adviser have been incorporated into the FPP's. One Wedged-tail Eagle reserve was identified at the coup near Mount Connection and delineated by flagging tape. Evidence of Tasmanian devil scats and footprint indentations on a snig track was observed at the completed harvest operation near Waddamana. The footprint indentation in the snig track suggests Devil activity within the forest post-harvest operations.

Inspection of landings at coupes near Waddamana, Steppes and Mount Connection identified removal of mature trees in close proximity to the defined landing. Advice at all three locations indicated that the trees had been deemed to be hazardous trees and removed for safety reasons in accordance with the Forest Safety Code (Tasmania) 2007. An internal action has been identified to develop and implement a form to assess and record instances of hazard tree removal. Evidence of hollow bearing tree retention was observed at coupes near Mount Connection, Waddamana and Steppes with protection measures also observed with within Habitat Wildlife Clumps.

Evidence of moderate rutting was observed at coupes near Millers Bluff and Waddamana however all less than 200mm from natural ground level and within the requirements of the Forest Practices Code. Coupes near Steppes, Mount Connection and Millers Bluff demonstrated appropriate use of grips on snig tracks with additional grips to be progressively constructed at Millers Bluff.

Stream side reserves were located on FPP maps for coupes near Waddamana, Steppes and Millers Bluff and prescriptions included consistent with the requirements of the Forest Practices Code. Observations in the field confirmed that the exclusion areas as stipulated in the FPP had been well observed.

A ruin from an old building located outside of the operation area at the coupe near Waddamana was identified and observed to be undisturbed. Whilst no cultural heritage sites were identified within the operation areas of the coupes audited an internal action was identified for inclusion of a prescription to specifically stipulate the absence of known cultural heritage sites have been identified within the operational area. It is noted however that prescriptions are included in the FPP for what to do if a cultural heritage value is identified during operations.

Review of the internal coupe monitoring forms has also been recommended to include additional questions to monitor and record information regarding protection of identified HCVs within the coupe.

The field verification audits completed indicate the control measures defined in Midway Tasmania's Due Diligence System to mitigate risks to HCV are working satisfactorily however some monitor improvements could be implemented through improvements to monitoring forms.

Summary prepared: 13/01/2022