9 May 2019

Notice to Stakeholders

Background
Forico purchases plantation wood from third party Suppliers throughout the supply area of Tasmania, in accordance with the requirement of the FSC Standard for Company Evaluation of FSC Controlled Wood (FSC-STD-40-005 V3.1). Whilst some suppliers are delivering plantation material from Forest Stewardship Council (FSC) certified plantations, Forico also source plantation inputs from non-certified suppliers. For Forico to mix FSC-certified plantation material with non-FSC certified material (defined as controlled material), a Due Diligence System must be implemented to ensure these non-FSC sources are not originating or being mixed with material from unacceptable sources (refer to https://au.fsc.org/en-au/standards/controlled-wood).

FSC Controlled Wood Risk Assessment
FSC Australia developed a risk assessment to determine which controlled wood areas in Australia are categorised as high risk (termed “unspecific risk”).

The risk assessment determined unspecified risk for category 3 – threats to high conservation values for management activities – for all bioregions of Australia. Where there is unspecified risk, Forico must implement control measures to mitigate the risk.

Control Measures for the Protection of High Conservation Values
Forico is implementing a range of control measures for category 3 (threats to high conservation values) for plantation harvesting operations from non-FSC certified suppliers in Tasmania to determine that is acceptable to purchase plantation material from specific third party Suppliers. Control measures include:

- Stakeholder Engagement (this stakeholder consultation is one control measure);
- Supplier system audits for identifying HCVs;
- Field assessments / verification to confirm a strong system of control for HCVs at the forest level.

Forico will complete a Supply Chain verification on HCVs for all its suppliers using the FSC Australia High Conservation Values (HCVs) Evaluation Framework and the associated Directory of Information Sources for a complete list of applicable HCV databases to be referenced. For further information, refer to FSC Australia High Conservation Values Framework (V3-4) and the associated Directory of Information Sources located at - FSC Forest Stewardship Council Australia (FSC-AU) High Conservation Values.

Stakeholder Feedback
Forico request that stakeholders provide feedback regarding the appropriateness of the Forico Due Diligence System. Specifically do stakeholders:

- agree that the plantation material from our non-certified suppliers can be mixed with Forico certified plantation product?
- feel additional controls are required?
- have specific comments regarding an individual Supplier?

Please complete the attached feedback form by 24 June 2019, either:

- through written submissions: Address to the Sustainability Manager, PO Box 5316, Launceston 7250;
- personal presentation to the Sustainability Manager: 16 Techno Park Drive, Launceston;
- via email: forico@forico.com.au; or

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• if you have any questions or require additional information, please contact the Sustainability Manager: (03) 6335 5201.

Forico will take any relevant comments or feedback and use them to better enhance the approach taken in the procurement and management of third party harvest operations within the Forico Tasmania supply chain. Whilst all feedback is welcome, there is no obligation to participate in this process.

Should you provide a reply, Forico wish to publish the feedback on the Forico website https://forico.com.au. No names will be published with any feedback. Please indicate whether you consent to your comments being made public (comments will be presented anonymously). If your response is to remain private and confidential, please indicate this clearly in your reply.

Please contact me should you require additional information.

Yours sincerely

Simon Cook
Sustainability Manager