Introduction
Forico Pty Limited (Forico) exports plantation hardwood (*Eucalyptus nitens* and *Eucalyptus globulus*) woodchips from a variety of suppliers. All material falls within forestry, conservation and natural resource legislation within Tasmania and the associated federal legislation.

The Tasmanian Forest Practices Act 1985 is the enabling legislation for the planning, preparation and subsequent certification of Forest Practices Plans (FPPs) in accordance with the requirements of the Forest Practices Code 2000.

Tasmania
Woodchip supply is organised by Forico from the following sources:
- Infield hardwood woodchips or pulpwood logs delivered directly to outsourced processing facilities at Massy Greene and delivered to the outsourced Burnie Chip Export Terminal – BCET;
- Pulpwood logs delivered directly to Long Reach Mill for further processing;
- Hardwood and softwood plantation pulpwood logs and sawlogs sold directly to customers.

Prior to purchasing any material from third party suppliers, Forico requires all owners to provide evidence of ownership and complete a declaration / questionnaire to determine whether the input material qualifies as being mixed with Forico certified material (does not contain any rare, endangered or threatened species or associated biodiversity / HCV values).

List of Countries and Districts of Origin

<table>
<thead>
<tr>
<th>Product</th>
<th>Species</th>
<th>District</th>
<th>Country</th>
</tr>
</thead>
</table>
| Wood in Chips or Particles OR Roundwood | *Pinus radiata*  
*Eucalyptus globulus*  
*Eucalyptus nitens* | Tasmania | Australia  |

Supply Chain

<table>
<thead>
<tr>
<th>Company</th>
<th>Process</th>
<th>Input and Origin</th>
<th>Certification Status</th>
<th>Verification Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forico Pty Limited</td>
<td>Infield Chip Processing and Delivery to Woodchip Export Terminal.</td>
<td>Chip Processing in Plantation and delivery to BCET or Long Reach Mill.</td>
<td>FSC CW AFS Certified</td>
<td>Forico has a system (CoC manual and associated verification procedures) to verify the source of origin that includes:</td>
</tr>
<tr>
<td>Forico Pty Limited</td>
<td>Pulpwood log delivered to Static Chipper Processing Facility.</td>
<td>Chip Processing at (i) Massy Greene static chipper and delivered to BCET; (ii) Long Reach Mill.</td>
<td>FSC CW AFS Certified</td>
<td>Wood supply contracts with third parties; Unique identity code/traceability Operation Numbers created for planned operations; Delivery dockets; Verification / validation of supply (either conducted by Forico / independent third party) to ascertain certification status, source of origin, and compliance with the relevant certification criteria.</td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Third Party/Other</td>
<td>Pulpwood log or Woodchip Purchase.</td>
<td>Third Party – (i) Delivery to BCET (via the Massy Greene static chipper (if pulplog)) or (ii) Long Reach Mill.</td>
<td>FSC FM Certified FSC CW Certified AFS Certified Controlled material</td>
<td>---</td>
</tr>
<tr>
<td>Third Party/Other (Sawmill)</td>
<td>Woodchip Purchase.</td>
<td>Purchase of Woodchips (coproduct) from Third Parties at BCET or Long Reach Mill.</td>
<td>Controlled material</td>
<td>---</td>
</tr>
<tr>
<td>Third Party/Other (Sawmill)</td>
<td>Reject Log Purchase.</td>
<td>Purchase of reject sawlogs from Third Parties processed at (i) Massy Greene and delivered to BCET; (ii) Long Reach Mill.</td>
<td>Controlled material</td>
<td>---</td>
</tr>
<tr>
<td>Forico Pty Limited</td>
<td>Manufacturing of Woodchips from Purchased Pulplog.</td>
<td>Logs harvested from (i) privately owned plantations through Forico operations (ii) other log suppliers/merchants and delivered to Processing Facilities.</td>
<td>Controlled material</td>
<td>No uncontrolled material will be accepted at any stage of the CoC process.</td>
</tr>
</tbody>
</table>

Forico has undertaken a risk assessment on supply from all input sources as part of their verification programme for controlled wood sources under FSC-STD-40-005 and AFS Chain of Custody for certified wood and forest products (AS 4707).

The FSC (Annex 2) Risk Assessment (specifically the FSC Australian National Risk Assessment - FSC-CWRA-001-AUS) provides guidance to both companies and certification bodies seeking to identify risks in accordance with the FSC standard for Company Evaluation of FSC Controlled Wood (FSC-STD-40-005).

For the Tasmanian situation, the Australian National Risk Assessment identified low risk for all controlled wood categories except:

- Wood harvested from forests in which high conservation values (HCVs) are threatened by management activities which was undetermined at all IBRA bioregions in Australia, and
- Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest use.

Therefore Forico will complete an annex 3 verification on HCV for all its suppliers using the FSC Australia High Conservation Values (HCVs) Evaluation Framework¹ and the associated Directory of Information Sources¹ for a complete list of applicable HCV databases to be referenced.
Field verifications inspect the HCV classes at each forest plantation audited to confirm that the Supplier is adhering to the HCV provisions in their harvest plans, which is used to verify the risk assessment.

¹ Refer to FSC Australia High Conservation Values Framework (V3-4) and the associated Directory of Information Sources- FSC Forest Stewardship Council Australia (FSC-AU) · High Conservation Values
<table>
<thead>
<tr>
<th>Certificate holder:</th>
<th>FORICO PTY LIMITED</th>
<th>Certification Body (CB):</th>
<th>DNV CERTIFICATION PTY LIMITED</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC certificate code:</td>
<td>DNV-CoC/CW-000870</td>
<td>Date of CB approval:</td>
<td></td>
</tr>
<tr>
<td>Date of risk assessment:</td>
<td>September 2014</td>
<td>Address of CB:</td>
<td>DNV Certification Pty Limited Level 7, 124 Walker Street North Sydney NSW Australia</td>
</tr>
<tr>
<td>Certificate holder address:</td>
<td>233b Charles Street Launceston Tasmania Australia 7250</td>
<td></td>
<td>FORICO PLANTATION CW RISK ASSESSMENT COVERING TASMANIA</td>
</tr>
</tbody>
</table>
| District covered under this risk assessment: | | Country covered by risk assessment is Australia – including: | Tasmania 
Ecoregion – Temperate Broadleaf and Mixed Forest 
Bioregion/District – Woolnorth, Ben Lomond, Freycinet, Midlands, D’Entrecasteaux, Central Highlands, West & South Coast |

**SUMMARY:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Summarized Risk Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Legality</td>
<td>LOW</td>
</tr>
<tr>
<td>2. Civil Rights</td>
<td>LOW</td>
</tr>
<tr>
<td>3. HCV</td>
<td>UNSPECIFIED (GT, WA, TAS)</td>
</tr>
<tr>
<td>4. Conversion</td>
<td>UNSPECIFIED (TAS)</td>
</tr>
<tr>
<td>5. GMOs</td>
<td>LOW</td>
</tr>
</tbody>
</table>
### FSC Controlled Wood Risk Assessment Matrix (FSC-CWRA-001-AUS)

<table>
<thead>
<tr>
<th>FSC Category</th>
<th>FSC indicator</th>
<th>Justification</th>
<th>Source of Risk</th>
<th>Scale of Assessment</th>
<th>Risk level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Illegally Harvested Wood</td>
<td>1.1 Evidence of enforcement of logging-related laws in the district</td>
<td>All Australian jurisdictions have in place strong legislative, regulatory and practice (generally in the form of Forest Practices Codes) instruments which are used both to guide and enforce the application of legal requirements for forest operations and timber harvesting (for public and private forests and plantations). Code violations are relatively rare and not normally on a scale envisaged to encompass illegal logging. However, serious, knowing or continuing breaches of the code can constitute contravention of the law.</td>
<td>State based Codes of Practice for Forestry</td>
<td>State based legislation, with district level compliance</td>
<td>Low</td>
</tr>
<tr>
<td>1. Illegally Harvested Wood</td>
<td>1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.</td>
<td>All forest codes of practice are audited by the relevant state or territory. Forico undertakes thorough operational planning and monitoring, that is accompanied with rigorous internal and external third party audits to ensure compliance is achieved.</td>
<td>State authority's records of forest audits</td>
<td>State based legislation, with district level compliance</td>
<td>Low</td>
</tr>
<tr>
<td>1. Illegally Harvested Wood</td>
<td>1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.</td>
<td>All forest codes of practice are audited by the relevant state or territory.</td>
<td>State authority's records of forest audits</td>
<td>District</td>
<td>Low</td>
</tr>
<tr>
<td>1. Illegally Harvested Wood</td>
<td>1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.</td>
<td>According to Transparency International CPI for this country is 81 / 100 (September - 2014)– Transparency International - Country Profiles#AUS</td>
<td>Transparency International maintains regularly updated information on perceptions of corruption at the national level (Transparency International - Country Profiles#AUS)</td>
<td>National Australia</td>
<td>Low</td>
</tr>
<tr>
<td>2. Wood harvested in violation of traditional or civil rights.</td>
<td>2.1 There is no UN Security Council ban on timber exports from the country concerned;</td>
<td>There is no UN Security Council export ban in the country. According to Global Witness export ban on Liberia.</td>
<td>Global Witness <a href="http://www.globalwitness.org/pages/en/forests.html">http://www.globalwitness.org/pages/en/forests.html</a></td>
<td>National Australia</td>
<td>Low</td>
</tr>
</tbody>
</table>
2.2 There is no evidence of conflict timber being supplied by the country or district being identified as a source of conflict timber (e.g. USAID Type 1 conflict timber) according to the latest available research.


The country is not designated as such.

Australia is not designated as conflict timber.

National
Australia
Low

2.3 There is no evidence of child labour or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.


There is no evidence of child labour or violation of ILO fundamental principles on a remarkable scale is known to occur.

Since 1991 Australia has been a signatory of the International Convention on the Rights of the Child. Both the Commonwealth and States legislate to protect children's rights.

National
Australia
Low

2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural identity in the district concerned.

Indigenous cultural heritage is managed through state based agencies and regulations that set up Indigenous Steering Committees.

Prior to the commencement of harvesting Forico undertakes a thorough investigation of the property including the identification of any known indigenous sites. For Forico owned or managed plantations and third party suppliers this process is undertaken at the stage of enquiry and preliminary assessment. Any heritage or environmental sites are also identified. If any registered indigenous site is located on the property or nearby then an investigation into the nature of the site is conducted as well as addressing the impending impact.

The Native Title Act 1993 protects the rights of Indigenous peoples and the use of their land. The judicial system based on the federal law in Australia has procedures for conflict resolutions.

Forest Management Unit (with scope to include all interested and affected parties)

National
Australia
Low

2.5 There is no evidence of violation of the ILO Convention 169 on the Rights of Indigenous Peoples on a remarkable scale in forest areas of the district concerned.

There is no evidence of violation of the ILO Convention 169 on the Rights of Indigenous Peoples taking place in forest areas of the district concerned. Note that FSC Australia has set up an Indigenous Steering Committee that may result in receiving information that could result in a review of the risk level.

National
Australia
Low

Note: Current legislation and forest policy of Forico is required to reflect the conditions set out above when determining the risk level.
Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.

Committee that may result in receiving information that could result in a review of the risk level.

The Native Titles Act 1993 protects the rights of indigenous people and the use of their land.

<p>| 3. Wood harvested from forest in which high conservation values are threatened by management activities The district of origin may be considered low risk in relation to threat to high conservation values if: a) indicator 3.1 is met; or b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1. | 3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high conservation values. | Those regions identified by Conservation International as a Biodiversity Hotspot <a href="http://www.biodiversityhotspots.org/xp/hotspots/Pages/default.aspx">http://www.biodiversityhotspots.org/xp/hotspots/Pages/default.aspx</a> Those forest, woodland, or mangrove ecoregions identified by World Wildlife Fund as a Global 200 Ecoregion and assessed by WWF as having a conservation status of endangered or critical. If the Global 200 Ecoregion comprises more than a single terrestrial ecoregion, an ecoregion within the Global 200 Ecoregion can be considered low risk if the sub-ecoregion is assessed with a Conservation Status other than “critical/endangered.” <a href="http://www.nationalgeographic.com/wild/world/profiles/g200_index.html">http://www.nationalgeographic.com/wild/world/profiles/g200_index.html</a> Those regions identified by the World Resources Institute as a Frontier Forest Intact Forests Landscapes, as identified by Greenpeace (<a href="http://www.intactforests.org">www.intactforests.org</a>) Info on IBRA bioregions found at <a href="http://www.environment.gov.au/parks/nrs/science/bioregion-framework/ibra/index.html">http://www.environment.gov.au/parks/nrs/science/bioregion-framework/ibra/index.html</a> Framework for Assessing High Conservation Values in Controlled Wood Risk Assessments in Australia (FSC-CWRA-001-AUS.pdf) FSC AUS HCV Evaluation Framework and associated Directory of Information Services <a href="http://au.fsc.org/high-conservation-values.208.htm">http://au.fsc.org/high-conservation-values.208.htm</a> HCV exists in all bioregions, hence 3.2 applies Forico harvests wood from its own plantations and third party supplies through industry/other private plantations. Prior to receiving any material, a detailed planning process must take place to complete a certified Forest Practices Plan (FFP) prior to the operation commencing. Forico has a number of company policies including the Environment and Sustainability Policy, Permanent Natural Forest Estate Policy, and Chain of Custody Policy relating to operational management responsibilities and obligations. The IBRA is a dynamic tool for monitoring progress towards building a comprehensive, adequate and representative (CAR) reserve system. IBRA maps located at <a href="http://www.environment.gov.au/parks/nrs/science/bioregion-framework/ibra/maps.html">http://www.environment.gov.au/parks/nrs/science/bioregion-framework/ibra/maps.html</a> Conservation International Biodiversity Hotspots do not identify any areas of concern in SE Australia. WWF has assessed eco-regions and identified the Global 200 most biologically distinct terrestrial, freshwater, and marine ecosystems on the planet. SE Australia contains two eco-regions Mediterranean Woodland and Scrub (ecoregion - 123) and Temperate Broadleaf Mixed Forest (ecoregion - 64). According to Annex 3 of FSC-STD-40-005, Forico is required to conduct verification audits as per the Forico Controlled Wood Verification Audit procedure. According to the Framework for assessing High Conservation Values in Controlled Wood Risk Assessments in Australia (FSC-CWRA-001-AUS), the HCV status is categorised as unspecified risk. Further examination of the HCV control system shows: | Bioregion (IBRA) | Unspecified |</p>
<table>
<thead>
<tr>
<th>Constructs</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HCV 1</strong> - forest areas containing globally, nationally and regionally significant concentrations of biodiversity values.</td>
<td></td>
</tr>
<tr>
<td>(i) Large Organisations not certified to FSC (Forestry Tasmania). Existing Management Plans identify all natural values in place within the FMUs through sophisticated management planning protocols that is audited both internally and externally.</td>
<td></td>
</tr>
<tr>
<td>Assessment of habitats, occurrence of rare and endangered species is carried out by specialists using survey work and existing sources (e.g., regional plans, publicly available overlays).</td>
<td></td>
</tr>
<tr>
<td>Prescriptions for the management of rare and endangered species are undertaken by specialist planners using available information and research. All information is recorded on GIS maps and layers used in all forestry operations. All management plans are publicly consulted and are available on the organisation’s website.</td>
<td></td>
</tr>
<tr>
<td>Verification is conducted by viewing operational plans and maps and confirming practices during field audits.</td>
<td></td>
</tr>
<tr>
<td>(ii) Certified Companies Companies have certification obligations and requirements that must be followed. Robust systems are in place to ensure the protection of HCVs.</td>
<td></td>
</tr>
<tr>
<td>Verification is conducted by sighting the coverage and currency of the company’s certification status.</td>
<td></td>
</tr>
<tr>
<td>(iii) Private Third Party Small plantations generally exist in a modified farm landscape with little or no natural vegetation. If HCVs are present – they are predominantly associated with natural vegetation in the surrounding area.</td>
<td></td>
</tr>
<tr>
<td>A declaration is completed by the third party to detail if any rare / endangered / threatened values are present (or other associated HCVs). For small private plantations, where applicable, the Forico High Conservation Assessment and Management Plan is used as a reference.</td>
<td></td>
</tr>
</tbody>
</table>
Plantation softwood and hardwood material is supplied only – avoiding natural forest areas that are predominantly associated with HCVs. Harvesting operations are conducted in compliance with the Forest Practices Code 2000 Tasmania through the preparation of a certified FPP to protect HCVs or any natural / special values within or adjacent to the operational area.

Forest management activities for plantations do not threaten eco-regionally significant high conservation values.

Verification is conducted by viewing guidelines/codes of practice, operational plans and maps and addressing conformance during field audits. These are conducted either by Forico, or through the use of an independent third party consultant (where there may be perceived commercial sensitivities).

HCV 2 – forest areas containing regionally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.

(i) Large Organisations not certified to FSC (Forestry Tasmania). Reference to estate level maps can confirm the presence of large landscape level forests exist in the forestry estates within the organisations estate.

(ii) Certified Companies Companies have certification obligations and requirements that must be followed including preparation of Forest Management Plans. Robust systems are in place to ensure the protection of HCVs.

Verification is conducted by sighting the coverage and currency of the company’s certification status.

(iii) Private Third Party Most private suppliers are generally within the Small Low Intensity Forest Management (SLIMF) definition prepared by FSC Australia (less than 1,000 hectares). As such there are no large landscapes within these areas.
Verification is conducted by viewing guidelines/codes of practice, operational plans and maps and addressing compliance during field audits. These are conducted either by Forico, or through the use of an independent third party consultant (where there may be perceived commercial sensitivities).

HCV 3 – forest areas that are in or contain rare, threatened or endangered ecosystems.

(i) Large Organisations not certified to FSC (Forestry Tasmania). Existing Management Plans identify all natural values in place within the FMUs.

Assessment of habitats, occurrence of rare and endangered species is carried out by specialists (internal and external) using survey work and existing sources (e.g. regional plans, publicly available overlays – Natural Values Atlas, Conserve database, Threatened Fauna Advisor).

Prescriptions for the management of rare and endangered species are undertaken by specialist planners using available information and research. All information is recorded on GIS maps and layers used in all forestry operations. Natural Values Atlas and the Conserve database is a useful tool that is publically available.

Verification is conducted by viewing operational plans and maps and confirming practices during field audits.

(ii) Certified Companies
Companies have certification obligations and requirements that must be followed. Robust systems are in place to ensure the protection of HCVs.

Verification is conducted by sighting the coverage and currency of the company’s certification status.

(iii) Private Third Party
For small private plantations, where applicable, the Forico High Conservation Assessment and Management Plan is used as a reference. All applicable legislative requirements relating to flora and fauna management on
a state and federal level are documented in the Forico Legal and Other Obligations register.

Most private suppliers are generally within the Small Low Intensity Forest Management (SLIMF) definition prepared by FSC Australia (less than 1,000 hectares). As such there are no ecological communities within these areas.

Pockets of remnant vegetation do occur within and adjacent to plantations and in some cases wetlands are located within these remnants as well as on adjacent properties. Both remnant vegetation and wetlands provide refuge/habitat for native/migratory species. Such areas are protected and excluded from operational activity (MEZ, SSR).

Verification is conducted by viewing guidelines/codes of practice, operational plans and maps and confirming practices during field audits. These are conducted either by Forico, or through the use of an independent third party consultant (removal of any perceived commercial sensitivities).

HCV 4 – forest areas that provide basic services of nature in critical situations:

(i) Large Organisations not certified to FSC (Forestry Tasmania).
The Forest Practices Code covers aspects such as erosion and water quality and principles and criteria of the respective certification standards. Issues relating to the protection of basic services are addressed during operational planning with relevant prescriptions included to protect the specific value.

This addresses aspects of forest management that could impact on basic services.

Verification is conducted by viewing agreements and by inspecting practices in the field. The Forest Practices Code requires:
- Riparian zones (SSR / MEZ) to be protected during operational activity and waterflow is unimpeded;
- Roads are constructed and maintained to minimise potential affects of erosion;
- Watercourses are crossed at designated points;
• Wet weather harvest prescriptions apply.

(ii) Certified Companies
Companies have certification obligations and requirements that must be followed. Robust systems are in place to ensure the liaison with local communities.

Verification is conducted by sighting the coverage and currency of the company’s certification status.

(iii) Private Third Party
For small private plantations, where applicable, the Forico High Conservation Assessment and Management Plan is used as a reference.

Verification is conducted by viewing agreements and by inspecting practices in the field. The Forest Practices Code requires:
• Riparian zones (SSR / MEZ) to be protected during operational activity and waterflow is unimpeded;
• Roads are constructed and maintained to minimise potential affects of erosion;
• Watercourses are crossed at designated points;
• Wet weather harvest prescriptions apply.

HCV 5 – forest areas fundamental to meeting basic needs of local communities.

(i) Large Organisations not certified to FSC (Forestry Tasmania).
There are operating stakeholder database used for stakeholder engagement.

(ii) Certified Companies
Companies have certification obligations and requirements that must be followed. Robust systems are in place to ensure the protection of HCVs.

Verification is conducted by sighting the coverage and currency of the company’s certification status.

(iii) Private Third Party
There are no known issues affecting basic needs. Forico documents including - The Regional High Conservation Assessment and Management Plan, Social Impact Assessment, Regional Management Plan, and Regional...
| 3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion. | FSC International advice is that national or state legislative controls can be accepted if: a) A (national) legal system of protection is in place (and this is widely accepted by stakeholders as providing adequate protection); b) The effectiveness of law enforcement in the country can be demonstrated through a Current legislation, programs and tools such as the Comprehensive, Adequate and Representative (CAR) reserve system based on the JANIS criteria and the Regional Forest Agreements (RFAs) have not passed the test of wide stakeholder acceptance as ‘strong system of protection’. Evidence still exists that HCV are still being impacted across Australia. Therefore, risk remains unspecified at the Annex 2 level. | Bioregion (IBRA) | Unspecified |

Stakeholder Engagement provide a reference to third party suppliers and meeting the needs of local communities.

HCV 6 – forest areas critical to local communities’ traditional cultural identity.

If sites / artefacts are identified during operational activities, the appropriate authorities / stakeholders are contacted to seek their advice and guidance on future management requirements.

(i) Large Organisations not certified to FSC (Forestry Tasmania).
State legislation exists for both Aboriginal and post colonial cultural heritage. These are reflected in the Forico HCV Assessment and Management Plans.

(ii) Certified Companies
Companies have certification obligations and requirements that must be followed. Robust systems are in place to ensure the protection of traditional/local identity.

Verification is conducted by sighting the coverage and currency of the company’s certification status.

(iii) Private Third Party
All cultural heritage issues are managed in compliance with applicable commonwealth and state legislation.

Harvest approval is predicated on compliance.

Verification is conducted by viewing guidelines/codes of practice, operational plans and maps and confirming practices during field audits. These are conducted either by Forico, or through the use of an independent third party consultant (removal of any perceived commercial sensitivities).
### 4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses

#### 4.1 There is no net loss AND no significant rate of loss (> 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.

<table>
<thead>
<tr>
<th>State of the World's Forests 2009. FAO (Food and Agriculture Organization of the United Nations). 2009. This is the most latest available data (dated 2005) about annual change rate of forest cover. (Available at <a href="http://www.fao.org/docrep/009/a0773e/a0773e00.htm">http://www.fao.org/docrep/009/a0773e/a0773e00.htm</a>). HOWEVER THIS INFORMATION DOES NOT ADDRESS PLANTATION ISSUE. For guidance to sourcing in Tasmania, see <a href="http://www.fscaustralia.org/files/100/controlled%20wood%20guidance%20note%20nov%202008.pdf">http://www.fscaustralia.org/files/100/controlled%20wood%20guidance%20note%20nov%202008.pdf</a></th>
</tr>
</thead>
</table>

#### According to last FAO report (State of World's Forests 2007) forest area annual net loss is -0.1% (<= 0.5% per year). Evidence exists that conversion of native forest is still taking place in NT (eg Tiwi Islands) and areas of Tasmania (with existing licences still valid after new legislation stopping conversion on public land only was introduced in 2006).

- **Forico has a number of company policies including the Environment and Sustainability Policy, Permanent Natural Forest Estate Policy, Chain of Custody Policy relating to operational management responsibilities and obligations.**

  - Softwood and hardwood material is sourced from established plantations, native forest/vegetation is not impacted on. Whilst there may be losses in native vegetation in this region (through other activities (eg: fire)) operations in the regions do not contribute to the further loss of natural vegetation. The remnant natural vegetation of the properties is protected and retained.
  - Forico harvests wood from its own Pinus radiata and Eucalyptus plantations – currently in accordance with the CW standard FSC-STD-30-010.
  - Before Forico accepts any third party material, validation assessments are undertaken in accordance with FSC-STD-40-005.
  - All material inputs are sourced from plantation grown Pinus radiata, Eucalyptus nitens, Eucalyptus globulus. Forico only processes plantation softwood and hardwood.
All operations are conducted under a Forest Practices Plan in accordance with the Forest Practices Code 2000. All areas are thoroughly assessed for Natural and Cultural Values and protection measures included as prescriptions for the protection of these values. Threatened species are protected under the Threatened Species Act. Floristic and forest communities are managed within the CAR (Comprehensive, Adequate and Comprehensive).

5. Wood from forests in which genetically modified trees are planted The district of origin may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is complied with:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Relevant Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned</td>
<td>The Gene Technology Act 2000 Commonwealth of Australia Gene Regulator. Forest and Agriculture Organization. Department of Agriculture (<a href="http://www.ogtr.gov.au">www.ogtr.gov.au</a>) In June 2001 the Gene Technology Act 2000 was introduced as a national scheme to regulate genetically modified organisms in Australia to protect the Australian environment. In Australia genetically modified Eucalypts or Pinus radiata cannot be grown. Standard breeding techniques and natural hybridization are used to gain improvement in tree genetics. Forico has a documented Environmental and Sustainability Policy that is publicly available. Which states that GMO’s / research into GMOs is not permitted. According to the latest available FAO study (&quot;Preliminary review of biotechnology in forestry, including genetic modification&quot;, 2004. (available at <a href="http://www.fao.org/docrep/008/ae574e/ae574e00.htm">http://www.fao.org/docrep/008/ae574e/ae574e00.htm</a>)) There is no commercial usage of any GM trees in the country. In Australia, GMO’s are regulated by the Gene Technology Act which is administered by the Office of the Gene Technology Regulator (OGTR). Current search (March 09) for licences shows no licenses given for tree species.</td>
</tr>
<tr>
<td>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use</td>
<td>The Gene Technology Act 2000 Licenses are required under the Gene Technology Act, which is regulated by the Office of the Gene Technology Regulator (OGTR). Current search (March 09) for licences shows no licenses given for tree species. <a href="http://www.maps.ogtr.gov.au/jsp/index.jsp">http://www.maps.ogtr.gov.au/jsp/index.jsp</a></td>
</tr>
<tr>
<td>c) It is forbidden to use genetically modified trees commercially in the country concerned</td>
<td>The Gene Technology Act 2000 Currently illegal to use genetically modified trees for commercial purposes.</td>
</tr>
</tbody>
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