

Norske Skog Due Diligence System Summary - October 2022

Public Summary

Background:

The Boyer Mill at New Norfolk produces newsprint, improved newsprint, book paper and light weight coated paper. Norske Skog currently source approximately 500,000 tonnes of plantation grown *Pinus radiata* wood (in log form) per annum from within Tasmania. The majority of this volume is sourced from the Lenah Estate managed by SFM in Southern Tasmania and from Timberlands Pacific, operating in State Forest areas in Northern Tasmania. Both these suppliers are certified to FSC® and Responsible Wood certification schemes.

Supply:

During the past 12 months Norske Skog have sourced *Pinus radiata* wood only from Tasmania and Kraft pulp from Oji Fibre Solutions in New Zealand. Controlled material has been supplied from the following non-FSC® suppliers:

- Oji Fibre Solutions
- AKS Forest Solutions;
- Reliance Forest Fibre;
- Highland Forest Products;
- SFM Forest Products;
- Malec Qld;
- Independent private growers (small, low intensity managed forests).

These independent private landowners that have small woodlots and windbreaks on their farms and cannot carry the financial costs associated with forest certification. In some instances these operations have oversight by a third party forest management company that has sourced the wood, prepared a forest practices plan (FPP), and monitors and reports on the operation.

Controlled Wood Risk Assessment:

FSC® Australia has conducted a risk assessment to determine where high risks (or specified risk) occur. These risks applicable to Boyer's wood supply are:

Specified Risk:

- Controlled Wood category 3.4 HCV4 – Critical Ecosystem Services (soil erosion, water catchments)
- Controlled Wood category 3.6 HCV6 – Cultural Values (indigenous and non-indigenous)
- Controlled Wood category 4 Conversion – Forests being converted to plantations for 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 category 3.1, 3.2, 3.3 and 3.5 (HCV1, HCV2, HCV3 and HCV5)
- Controlled Wood category 5 – genetically modified material.

For New Zealand there is a Controlled Wood National Risk Assessment in place. All categories have been designated as Low:

Low Risk:

- Controlled Wood category 1- Illegally harvested wood
- Controlled Wood category 2- Areas where traditional and civil rights are being violated
- Controlled Wood category 3.1, 3.2, 3.3 and 3.5 (HCV1, HCV2, HCV3 and HCV5)
- Controlled Wood category 5 – genetically modified material.

The specified risk noted above for Tasmania (categories 3.4, 3.6 and 4) require risk control measures to be implemented. These are described in the table below:

Table 1. Control measures in place for Category 3 – Wood from forests in which high conservation values are threatened by management activities and Category 4 – Wood from forests being converted to plantations or non-forest use.

Indicator	Control Measures
Forest management activities in the relevant level, do not threaten eco-regionally significant high conservation values	HCVs are identified and assessed through the Forest Practices Plan. The DDS places particular emphasis on those relating to critical ecosystem services and cultural values.
A strong system of protection is in place that ensures protection of HCVs in the ecoregion	HCVs are identified and assessed through the Forest Practices Plan, with the FPP describing how HCVs are protected and managed during operations
There is no net loss or no significant rate of loss of natural forests	Only plantation <i>P.radiata</i> is used at Boyer. The Forest Practices Plan outlines the species and ensures no conversion is occurring.

Supply Chain Risk Assessment:

Wood is delivered from the forest straight to Boyer. All processing takes place on site and all storage of chips and pulp occurs on site.

Table 2. The risk of mixing non-eligible material during supply, transport, processing and storage.

Part of Supply Chain	Measures to reduce risk	Assessed Risk	Additional Measures	Residual Risk
Supply	Company risk assessment. Weighbridge dockets & FPP confirm area of supply. Each truck has a unique silkey. Drivers inducted annually.	Low	Audits at weighbridge to confirm docket information. Dockets reconciled with suppliers documentation daily.	Low
Transport	Loads delivered directly to Boyer, unique operation number.	Low	Audits confirm direct cart	Low
Processing	All processing on Boyer site.	Low		
Storage	Storage of chips on site post processing; access to site limited.	Low		

Stakeholder Engagement:

Norske Skog received no feedback during the 2021 Stakeholder consultation process on the presence of HCVs within the supply area or concerns relating to management activities of any of our suppliers.

Norske Skog's Stakeholder list has been significantly amended as most stakeholders did not respond that they wished to remain on the list and be contacted. New stakeholders have been added in 2022 but again all are given the option to opt out if they do not wish to be contacted.

Norske Skog encourages stakeholders who have suggestions for improvements, comments or complaints related to our controlled wood due diligence system to contact Sandra Hetherington by phone, email or mail. These suggestions, comments or complaints may be in relation to origin of supply, aspects of the supply chain, controls for mitigating risks, or the due diligence system itself. Where complaints are received or issues identified, these will be investigated and actioned as required. Norske Skog has a complaints resolution procedure which is available on request.