Sustainability Report 2022

Timber Framing The Ultimate Renewable

TIMBERLINK®
Australia & New Zealand

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Front cover:
NeXTimber® render

From the CEO

Welcome to this year's sustainability report.

Timberlink has a commitment to contribute to creating a more sustainable future for all. We recognise that we must play our part in addressing the global climate changes that we all face.

Making this real is important. As such we have committed to reduce our scope 1 and 2 carbon emissions by 53% by 2030, and are keeping ourselves accountable to this. This is in line with supporting a cut in global emissions, as determined in the Paris Agreement goal to limit global warming to 1.5°C from pre-industrial levels.

We are also working towards alignment with the UN Global RoadMap for integrated Sustainability with a target set to achieve a stage 4 outcome.

We recognise that a whole of business approach must be taken, with this also extending beyond our own direct activities.

As a Plantation Pine Timber products manufacturer, we also understand the specific sustainability and carbon benefits of our renewable plantation pine product. The global growth of timber into new markets and applications is rapidly occurring.

Timberlink has embraced this with expansions in our underlying capacities to bring more timber to market, while also making significant investments to bring new higher value carbon negative building solutions into our markets.

I hope as you read this report it gives you an excellent insight into our business and that it provides a clear demonstration that we are committed to delivering a future made better for all.

Ian Tyson
Chief Executive Officer
Timberlink Australia I New Zealand

ABOUT US

Timberlink employs over **530 people**, **82%** of whom live in **regional areas**

Timberlink® is a leading producer of sustainably grown Australian radiata pine timber products, The Ultimate Renewable™, and is at the forefront of integrated forestry and softwood manufacturing in Australia.

Timberlink operates two regional large scale timber manufacturing facilities, one in Bell Bay, Tasmania, and the other in Tarpeena, South Australia; with both sites solely processing plantation grown radiata pine sawlogs. Our sawn timber products are primarily used in commercial and residential construction and industrial remanufacturing applications. Typical uses include house framing, pergolas, decks, landscaping, pallets, and through use of our residue streams in packaging and paper.

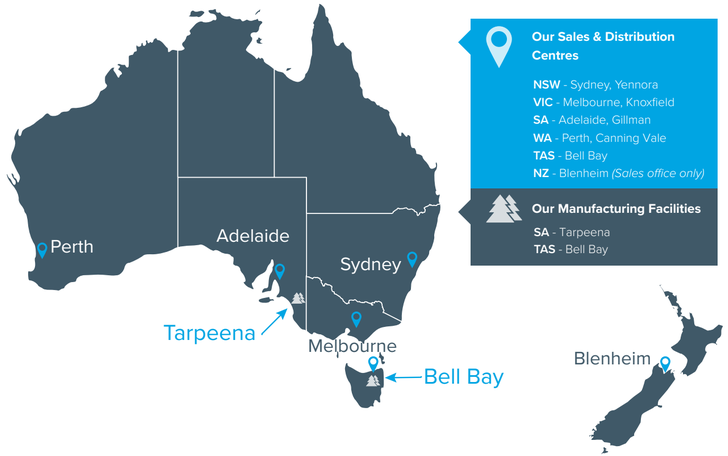
Timberlink directly employs over 530 people, more than 80% of whom live in regional areas. Sustainably contributing to the local economy of our regional towns is a key goal for Timberlink. This includes both direct and indirect employment, research, training, the support of local suppliers, capital investment programs, payment of taxes and contributions to local community groups. Timberlink is proud to support our regional communities and we appreciate the support that they provide to us.

In FY20, Timberlink set carbon reduction targets in line with the more ambitious Paris Agreement goal of limiting global warming to 1.5°C above pre-industrial levels and had these targets verified by SBTi, the international body that sets and applies the rules around setting carbon reduction targets. Timberlink is well ahead of the trajectory required, having achieved 27% reduction in greenhouse gas emissions since FY18, with a total reduction of 53% required by 2030. Timberlink is a leader in our industry sector, being the first in the region and one of only three globally in the forest and paper products sector to have targets in place in line with the 1.5°C goal.

Our values of Openness, Fairness, Resilience, Respect and Integrity underpin our business. These values guide everyday behaviours across the business. Timberlink has a commitment to safety that is integral to everything we do, caring for our people and ensuring they get Home Safe, Everyone, Every Day. Recent and ongoing substantial investments in our timber manufacturing facilities also continue to support a sustainable and modern manufacturing business, while ensuring a safe and attractive working environment for our employees.

During FY22 Timberlink continued construction of their NeXTimber® Cross Laminated Timber (CLT) and Glue Laminated Timber (GLT) production facility, and a Wood Plastic Composite (WPC) production facility to support the business entering new markets with new product solutions that can provide more sustainable and renewable timber building solutions to our markets and customers. These developments further unlock higher fibre value in using sawn timber in panelised and beam construction systems, and also using wood-residues combined with recycled plastic that provide innovative products to both builders and consumers.

Timberlink is owned by investment funds managed by New Forests. This integrated supply chain supports the certainty to continue to invest in building a world class timber products business and long-term supply for Timberlink customers.



Our Sales & Distribution Centres

NSW - Sydney, Yennora
VIC - Melbourne, Knoxfield
SA - Adelaide, Gillman
WA - Perth, Canning Vale
TAS - Bell Bay
NZ - Blenheim *(Sales office only)*

Our Manufacturing Facilities

SA - Tarpeena
TAS - Bell Bay

About New Forests

New Forests is a global investment manager of nature-based real assets and natural capital strategies, with AUD 9.95 billion (USD 6.85 billion) in assets under management across over 1.1 million hectares (2.9 million acres) of investments. New Forests manage a diversified portfolio of New Forests plantations and conservation areas, carbon and conservation finance projects, agriculture, timber processing and infrastructure. New Forests aim to generate shared prosperity for our clients and the communities in which New Forests operate and accelerate the transition to a sustainable future.

New Forests' vision is to see investment in land use and forestry as central to the transition to a sustainable future. To achieve this vision, New Forests' investment strategies support the role of forests as nature-based solutions, provide sustainable wood fibre for the growing circular bioeconomy, and contribute to the sustainable development of regional economies and rural communities.

Headquartered in Sydney, New Forests is a Certified B Corp and operates in Australia, New Zealand, Southeast Asia, Africa and the United States. For more information, please visit: www.newforests.com

OUR MANUFACTURING FACILITIES

Tarpeena

The Tarpeena manufacturing facility employs 242 staff on a 40ha site just north of the regional centre of Mount Gambier. It's one of the largest sawmills in Australia and more than $174m has been invested by Timberlink in upgrading to world class standards. The facility is heavily focused on manufacturing high quality structural timber.

242 staff

40 ha

$174m invested since 2013

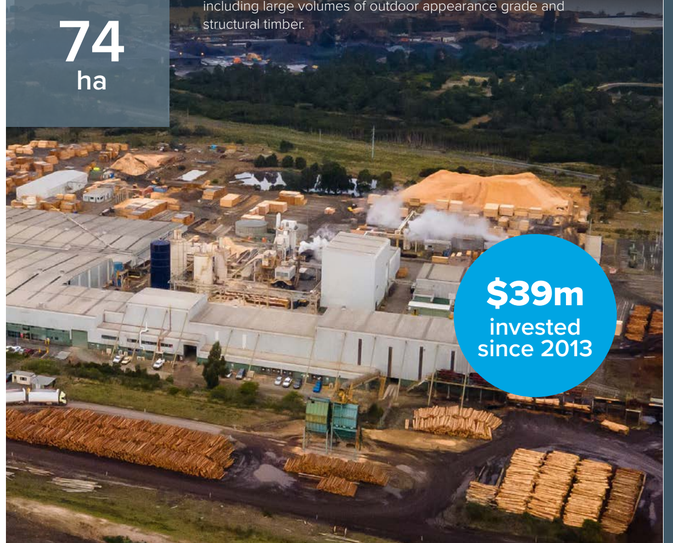
Bell Bay

The Bell Bay manufacturing facility is the only scale softwood mill in Tasmania. It employs 190 staff on a 74ha site in the north of the state. Since construction in 2008, Timberlink has invested significantly in upgrades to the latest technology and safety improvements since taking ownership in 2013. The facility manufactures a broad range of products from renewable Tasmanian plantation pine including large volumes of outdoor appearance grade and structural timber.

190 staff

74 ha

$39m invested since 2013



OUR PRODUCTS

Renewable plantation pine is used extensively in house frames, decks, pergolas, fences and gardens throughout Australia and New Zealand.

Timberlink's wide range of pine products includes untreated and treated structural timber, decking, sleepers, pickets, fencing, packaging timber and high-quality woodchips for export.

Timberlink Green

Timberlink Blue

Timberlink Untreated Structural

TIMBERLINK® GREEN

- H3 treated outdoor structural timber

TIMBERLINK® BLUE

- H2F treated termite resistant indoor structural timber

TIMBERLINK® Australia & New Zealand

- Untreated indoor structural timber

SUSTAINABILITY OVERVIEW

Drivers for Sustainability

Timberlink has several drivers for improving our sustainability. At a high level, these are aligned with the United Nations Global Compact's Sustainable Development Goals (SDGs[1]).

The relevant SDGs and highlights include:

SDG 3 Good Health and Well-being
The health and wellbeing of our employees is important to Timberlink. During FY22, Timberlink decided to change its Employee Assistance Program provider to one that provides a greater breadth of service to meet our employees' needs. The new offering provides 24/7 support for our employees and their immediate family in areas such as Legal Assist, Employee Assist, Family Assist, Money Assist and Nutrition Assist.

SDG 4 Quality Education
Throughout FY22, Timberlink continued to focus on employee development via several existing training programs. Our Emerging Leaders Program saw nine high-potential employees from various areas of the business participate in the program. In addition, our Front-Line Leaders Program which has cemented itself as a highly important part of our annual training calendar saw twenty employees from manufacturing and distribution teams participate.

The company's Learning Management System (LMS) was an important platform for keeping employees abreast of training requirements and updates whilst working remotely. Throughout the reporting period, over 6,400 course completions were recorded on Timberlink's Learning Management System which hosts content ranging from product training to wellbeing courses and compliance content.

[1] *https://www.un.org/sustainabledevelopment*

SDG 7 Affordable and Clean Energy
The majority of energy consumed by Timberlink's manufacturing facilities is heat needed to kiln dry timber. This heat is generated by combustion of renewable biomass, being residue from the production process, in large high-efficiency heat plants. All the forests harvested to produce logs processed by Timberlink are replanted. The electricity used by Timberlink in its two manufacturing facilities is predominantly green (see figure 6 for details); in South Australia the proportion of renewable energy increased by 3% to 65% in FY22[2] while in Tasmania renewable energy represented 101.9% (more renewable electricity was generated than the total consumed).

SDG8 Decent Work and Economic Growth
Timberlink recognises the value of sustained and inclusive economic growth in driving progress, improving living standards and creating decent jobs for all. Since inception in 2013, Timberlink has invested heavily in its manufacturing assets, implementing world best-practice technology in several key areas including kiln drying and timber scanning. A generational investment at Tarpeena is complete, increasing capacity to suit projected log availability, deploying world best practice in sawmilling equipment. A mass timber plant manufacturing both CLT and GLT has commenced construction at the Tarpeena site, while a composites plant producing high-value products such as decking made from recycled HDPE and wood fibre is expected to be operational at Bell Bay in 2023.

SDG 9 Industry, Innovation, and Infrastructure
Timberlink believes that our model of sustainable manufacturing, producing a carbon negative building material, addresses both environmental and economic challenges. Our triple-pronged approach includes provision of innovative carbon-negative building materials to developing market segments; investment in world-leading technologies to optimise the efficiency of our manufacturing plants; and proactively measuring and managing our sustainability performance, particularly our carbon footprint.

SDG 12 Responsible Consumption and Production
The key resource consumed by Timberlink is logs. All logs processed are from sustainably managed plantation forests, with all products manufactured certified to both FSC™ and PEFC standards. Timberlink puts substantial focus on optimising recovery of building products from these logs; these products sequester carbon for the lifetime of the product.

SDG 13 Climate Action
Timberlink's contribution to mitigating climate change extends beyond the manufacture of carbon-negative building materials. We view it as vital that all industry sectors play their part in limiting global warming to levels that avoid catastrophic impacts to the planet. To that end, we have committed to Science Based Targets for greenhouse gas emissions reductions in line with the ambitious limit of 1.5°C warming above pre-industrial levels of the Paris Agreement and track our progress to the required trajectory.

[2] *Consumption: https://opennem.org.au/energy*

5 Stages of Sustainability

The United Nations Global Compact outlines a 5-stage model of sustainability as part of its Roadmap for Integrated Sustainability, which aims to support companies in deepening the integration of sustainability-related goals and strategies across the organisation.

Sustainability Stages Model

While similar models use alternative labels for the sustainability stages, the descriptions for each stage are reasonably well aligned across the different versions.

Timberlink is working to align itself with the UN Global Compact Roadmap for Integrated Sustainability, underpinned by the **5 stages** of sustainability model illustrated below. The following provides a description for each stage:

1. **Crisis Management**
2. **Compliance**
3. **Resource Optimisation**
4. **Market Differentiation**
5. **Purpose Driven**

Stage 1: A business at stage 1 does not operate in compliance with all regulations and stakeholder expectations.

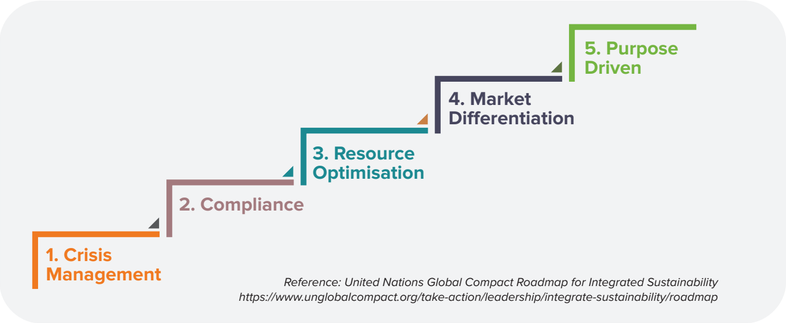
Stage 2: A business ensures compliance with the law and relevant regulations but investments beyond compliance are not made.

Stage 3: Businesses move beyond compliance to improve productivity and reduce negative impacts.

Stage 4: Moving from stage 3 to 4 requires a fundamental shift with sustainability viewed as investments and opportunities rather than cost and risk, with a strong focus on sustainability-led innovation.

Stage 5: Companies are driven by values, with a commitment to improve the world, with the business model linked to addressing social and/or environmental challenges.

Sustainability Model



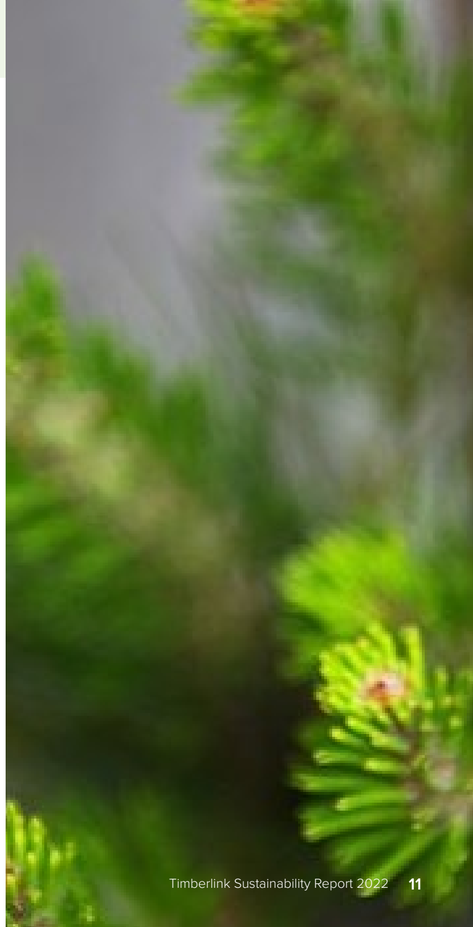
Reference: United Nations Global Compact Roadmap for Integrated Sustainability
https://www.unglobalcompact.org/take-action/leadership/integrate-sustainability/roadmap

Measuring Sustainability Performance

Timberlink's sustainability performance is measured monthly across a broad range of indicators covering environmental, social and financial dimensions.

The indicators have been chosen based on globally accepted frameworks, tailored to suit our business. Each measurement is calibrated against the best available benchmarks to give a score from 1-5 in alignment with models for stages of sustainability, such as that described in the United Nations Global Compact Roadmap for Integrated Sustainability. Indicators are then weighted and consolidated to a score for each of the three dimensions, and then further consolidated into an overall sustainability score. This system allows us to rapidly spot trends and target areas for improvement.

This sustainability performance tracking system has been in place since FY17. We are currently targeting alignment with stage 4.



ENVIRONMENT

- Carbon Footprint and Reduction
- Carbon Reduction Performance
- Environmental Excellence Award
- First Hybrid Fleet
- Environmental Compliance
- Pollution, Waste and Consumable Minimisation
- Dual Certification

Carbon Footprint and Reduction

In 2019 Timberlink committed to carbon reduction targets that comply to the strict rules established by the Science Based Targets initiative (SBTi).

Timberlink has engaged an external consultancy to assist with re-establishing our carbon footprint baseline from FY18 to FY22 based on the latest draft of the Green House (GHG) Protocol Land Sector Land Use and Removals Guidance as required by the recently released SBTi Forest, Land and Agriculture (FLAG) guidance[3].

The FLAG Science Based Target Setting Guidance[4] provides businesses in land-intensive sectors such as food, agriculture, and forestry the tools to play their part in preventing the catastrophic impacts of climate change by accounting for land-based emissions.

This guidance offers a common, robust, science-based understanding on how much and how quickly companies in our industry need to cut emissions in line with the Paris Agreement's goal to limit global warming to 1.5°C from pre-industrial levels.

Over the next few months, it is anticipated that Timberlink together with our external partners will calculate our FY22 carbon footprint using these latest standards and reset our science-based targets as required.

[3] *https://sciencebasedtargets.org/news/the-sbti-launches-the-worlds-first-standard-method-to-cover-land-related-emissions-and-removals-2*

[4] *https://sciencebasedtargets.org/sectors/forest-land-and-agriculture*

Carbon Reduction Performance

SBTi targets

Reduction
in Scope 1 and 2 emissions by 53%

Third
at 1.5°C target level in our sector globally

First
in Australia in our sector

Scope 1 – direct emissions, e.g. from forklifts burning diesel
Scope 2 – emissions associated with energy supply, mainly electricity
Scope 3 – emissions from supply chain (up and downstream)

Tasmanian Timber Awards – Environmental Excellence

We were pleased to be recognised as a winner in the Environmental Excellence category at the 2021 Tasmanian Timber Awards. The award for Environmental Excellence is given in recognition of excellence in environmental management within the Tasmanian Timber Industry. Amongst other criteria, entrants in this category were measured against their ability to demonstrate best practice compliance/conformance to industry and/or professional codes/standards/ recommended practices; demonstrate the achievement of high-quality environmental outcomes; and have positively managed a specific environmental project, programme, or event with outstanding merit.

Plug-in Hybrid Electric Vehicles

During FY22 the Mitsubishi Outlander PHEV (Plug-in Hybrid Electric Vehicle) was introduced following a review process to support the selection of replacement vehicles for our national sales team. In line with our core values of safety and sustainability, both criteria were heavily weighted components of the review. The Outlander PHEV can operate as a fully electric vehicle (EV) with a range of up to 54 kilometres using the electric motors alone. The inclusion of the Outlander PHEV in our fleet range supports the Timberlink commitment to our people and our environment.

Environmental Compliance

Tarpeena Manufacturing Facility

The Timberlink Tarpeena facility operates under South Australian EPA Environmental Protection Licence #39742.

During the reporting period there were no events requiring remedial action to be taken by environmental regulators. All external monitoring and reporting requirements were completed to the satisfaction of the environmental regulators.

Two community complaints were received regarding noise and dust associated with the construction of the CLT/GLT manufacturing facility, however both events were resolved to the satisfaction of both the environmental regulator and the community.

In total, 74 environmental hazard and incident reports were raised by staff in production areas, with none carrying significant risk. These were generally minor spills or potential environmental hazards that were rectified with no adverse impact. A high level of reporting is taken as a proactive lead indicator for our environmental management.

Bell Bay Manufacturing Facility

The Timberlink Bell Bay facility operates under Tasmanian EPA Environmental Protection Notice #8563/3.

All external monitoring and reporting requirements were completed to the satisfaction of the environmental regulators.

The Bell Bay facility had two reportable incidents, neither of which resulted in material environmental harm or action taken by the regulator. Reportable incidents are not considered as infractions.

The reportable events were:

Elevated Total Solid Particulate emissions from the boiler, associated with mechanical wear on the bags within the baghouse system designed to treat emissions prior to atmospheric discharge. This event was short term and was rectified by shutting the boiler down and replacing the faulty bags. Generally, the emissions are less than 5% of the permitted level.

In total, 24 environmental hazard and incident reports were raised during this period, many driven from internal assessments and proactive inspections being completed. Many reports related to the baghouse operating in bypass mode for very short durations of time. A high level of reporting is taken as a proactive lead indicator for our environmental management.

Pollution, Waste and Consumable Minimisation

Wood Residue

An improvement in measurement methodology resulted in a step change down of estimated wood residue consumption in FY19. Overall, wood residue specific consumption at our Australian manufacturing facilities has trended down over time, due to both improved heatplant operational efficiency and higher volume being processed using the same heatplants.

The higher volume is enabled by the continuous drying kilns (CFKs) at Tarpeena and Bell Bay, which also create much more even energy demand; this stability improves overall heat plant operation and efficiency.

Electricity

In our manufacturing facilities electricity is utilised almost exclusively for motive applications, such as motors, to drive saws and kiln fans. Specific electricity consumption averaged across both of our Australian facilities is shown in Figure 5. Efficiency improvements and higher volumes processed continue to drive down specific electricity consumption.

Wood residue consumption

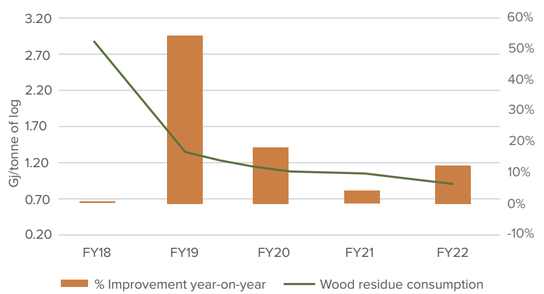


Figure 4. Wood residue consumption and % Improvement per tonne log input

Electricity consumption

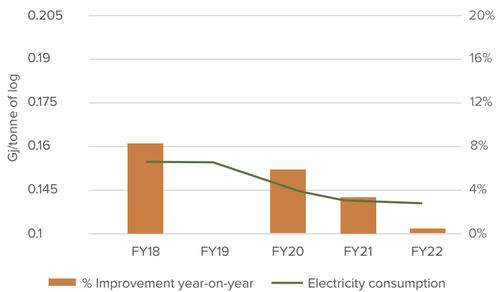


Figure 5. Electricity consumption and % Improvement per tonne of log input

Renewable Energy

The overall greening of the grid has driven a substantial reduction in the carbon impact of electricity usage from Tarpeena in particular, with Tasmanian electricity around 100% renewable in most years.

Electricity renewable percentage - Tasmania and South Australia

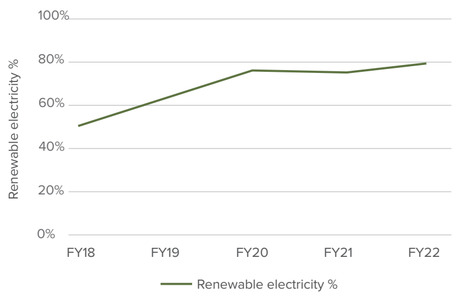


Figure 6. Percentage renewable electricity

Effluent and Waste

Both Australian manufacturing facilities deal with the majority of stormwater and wastes it may contain such as small amounts of oils and greases via on-site controls like oil mops and settling pond systems.

Liquid condensate from the kiln drying process is disposed to trade waste (sewer) or land via agreement with appropriate authorities and vendors in Bell Bay and Tarpeena.

Both facilities actively monitor groundwater contamination via bores, principally to ensure that previous and/or current timber treatment plant operations are not resulting in contamination, particularly metals.

Bell Bay also monitors water quality in its multi-stage settling pond system.

Bell Bay and Tarpeena collect cardboard, metals, oils and other wastes for recycling where possible and boiler ash from both sites is utilised for soil remediation.

Energy

Over 80% of Timberlink's manufacturing energy requirement is for heat to dry timber in kilns. The heat energy is produced from our own wood fibre by-product, with surplus by-product available for sale. We generate the energy in biomass fired heatplants which are run on our lower-value by-products such as sawdust, shavings and offcuts. The fuel is 100% renewable, with all the forests from which we source logs being replanted.

Despite the energy being renewable, Timberlink continues to work on reducing kiln heat consumption. Three continuous kilns (CFKs) are employed: one mid-sized at Bell Bay and two large at Tarpeena. Each of these has reduced the energy used to dry timber by more than 30%, relative to drying in traditional batch kilns. The CFKs also reduce electricity consumption by around 10%.

Liquid Fuel

Liquid fuels used by the manufacturing facilities principally consists of diesel for mobile plant such as forklifts and loaders. In addition, Tarpeena uses LPG co-fired through two of the three heatplants as part of the start-up procedure.

Liquid fuel consumption

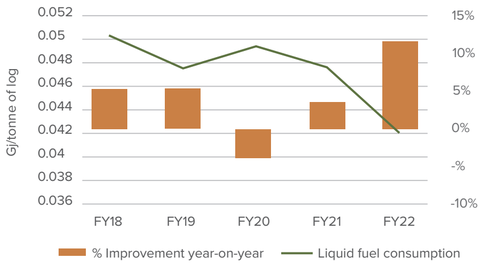


Figure 7. Liquid fuel consumption and % Improvement per tonne of log input

Water

Specific water consumption by our Australian manufacturing facilities, shown in Figure 8, has decreased over five-years.

Water consumption

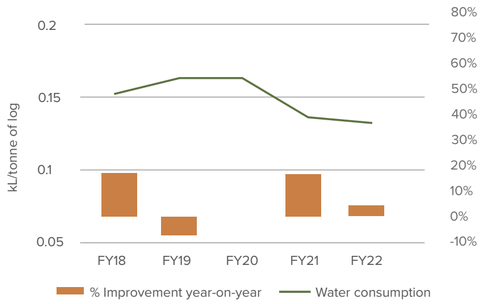


Figure 8. Water consumption and % Improvement per tonne of log input

Emissions to air

Bell Bay

Bell Bay's biomass boiler operates a fabric baghouse emission scrubbing unit. This results in very low emissions. A sensitive particulate measurement instrument was installed in the heatplant exhaust stack to continually monitor emissions and provide early warning of damage to filter bags or other equipment. The baghouse is occasionally switched into bypass mode to protect it, typically during the boiler start-up phase, which is less than 2 hours in duration. Placing the baghouse into bypass mode is not a breach of licence assuming it remains less than 2hrs during a 24-hour period. In normal operation the baghouse particulate discharge rate is less than 5% of the regulatory limit imposed.

Tarpeena

Tarpeena's Heat Plant 1 & 2 comply with the 2018 Air Quality Policy, however recent testing has confirmed Heat Plant 4 emissions are above historical trend. The root cause is due to an ageing Multiclone Pollution Control Device (MPCD), however it is not causing harm to the environment or community. There has been no remedial action taken by the regulator.

There is no requirement for routine testing due to the low risk posed by the facilities biomass heat plants upon the local air shed, however ad-hoc testing is conducted in response to changes to the facility such as the introduction of new kilns. Timberlink is committed to replacing the MPCD on Heat Plant 4 during FY23 to reduce particulate emissions from this source.

Dual Certification

The majority of log supply to Timberlink's manufacturing facilities is dual certified to both FSC® and PEFC/Responsible Wood from forests owned by New Forests administered investment trusts.

Responsible Wood

Timberlink holds Responsible Wood (RW) Chain of Custody certification at both Australian sites for solid wood products and by-products (including woodchip) covering both our Australian manufacturing facilities, certificate number 100872. RW holds mutual recognition status with the international PEFC system, enabling Timberlink to market RW certified products to the domestic market and PEFC certified products internationally.

Forest Stewardship Council® (FSC®)

Timberlink Australia holds an FSC® chain of custody and controlled wood certificate covering our Australian mills and distribution centres for the production and distribution of sawn timber, woodchips, and all by-product including reject logs, sawdust and charcoal. Our products are made of FSC® certified and other controlled material. By choosing Timberlink Australia products, you are supporting responsible management of the world's forests.

INNOVATION

- Wood Plastic Composite Plant
- NeXTimber®
- Innovation in Action
- Modern Manufacturing Program
- Tarpeena Treatment Plant
- Bell Bay Vision Scanner

Wood Plastic Composite (WPC) Plant

From the announcement in July 2021, the Wood Plastic Composite (WPC) project has moved forward to the capital phase with a new 2,100 square metre purpose-built facility constructed at our Bell Bay site. The process equipment is under final testing and is expected to be installed late 2023.

From project design to execution, sustainable practices has been top of mind. Water required for the process will be harvested from the roof and stored for use in dedicated water tanks. The state-of-the-art equipment will be powered by both solar panels fitted to the roof of the building and Tasmanian Hydro power, ensuring the process and building power supply are sustainable.

The wood fibre used in the process is harvested and supplied directly to the facility utilising shavings arising from our timber production process. Plastics used in the process are from Australian post-consumer waste, making the product 90% upcycled content.

The facility will initially focus on manufacture of decking boards and screening for the growing domestic market but will be capable of manufacturing a wide range of sustainable products over time.

NeXTimber®

Throughout FY22 Timberlink continued the journey of innovation towards building a world-class timber products business.

In December 2021, Timberlink Australia unveiled the new brand for their forthcoming engineered wood products building solutions range - NeXTimber® by Timberlink. NeXTimber will manufacture Cross Laminated Timber (CLT) and Glue Laminated Timber (GLT) products providing an Australian-made renewable and carbon negative timber building solution for commercial, residential, and public projects.

Backed by a $63 million capital investment, the NeXTimber range will be manufactured on Australia's first combined world scale softwoods CLT and GLT manufacturing line, within a purpose-built manufacturing plant currently being constructed adjacent to Timberlink's state-of-the-art timber manufacturing facility in Tarpeena, South Australia.

With production of the NeXTimber range scheduled to begin in 2023, the first sod was officially turned at the site of the NeXTimber manufacturing facility in February 2022 to mark the commencement of the construction project. In addition to this activity, NeXTimber was also launched to market at two key industry events – Sydney Build and Timber Offsite Construction Expo which combined attracted over 18,000 visitors from the construction sector.

Also, during the period and in preparation for the scheduled production, extensive structural, fire and acoustic performance testing took place to determine product attributes, with the results expected to be published in FY23.

NeXTimber® by Timberlink

"Backed by a $63 million capital investment, the NeXTimber range will be manufactured on Australia's first combined world scale softwoods CLT and GLT manufacturing line"
Timberlink CEO - Ian Tyson

Innovation in Action

In July 2021 Timberlink commenced purchasing sawlog from the Adelaide Hills region to supply the Tarpeena manufacturing facility. Transporting sawlog such long distances has been generally regarded as cost prohibitive, but Timberlink General Manager of Resources Phil Lloyd says a key enabler for Timberlink to successfully tender for Adelaide Hills sawlog has been the innovation in Timberlink's finished goods transport system.

Timberlink Group Logistics & Distribution Manager Phil Doyle has been investigating opportunities to improve transport efficiency and effectiveness since 2018 and worked with local Mount Gambier company Fennell Forestry to develop an AB Triple (AB3) transport solution for Timberlink's Adelaide and Perth markets. While discussing the new trailer design with Fennell Forestry, it became obvious there was potential to also design in a log transport capability, and the seed was sowed that one day we might be able to combine finished goods transport with sawlog transport within the same journey.

Wendy Fennell, Managing Director of Fennell Forestry says the AB3 vehicles have a higher standard of safety controls, and reduce log truck movements by around 60%. From an environmental perspective the AB3 vehicles reduce greenhouse gas emissions by about 20% compared to the traditional B-double configuration.[5] Importantly, backloading the AB3 enables a higher percentage of loaded kilometres per trip, optimising the use of our highly valued truck drivers, as well as providing more variety to each trip. The more technically sophisticated AB3 also require a higher degree of driver training, providing enhanced career pathways for professional drivers.

The 2019-20 bushfire season saw catastrophic plantation losses in southern NSW and eastern Victoria, followed shortly after by the COVID pandemic. The entire timber industry faced a new operating environment, but when ForestrySA issued a public tender for log supply in early 2021, Timberlink was well positioned to adapt. The Tarpeena timber manufacturing facility upgrade was nearing completion, and the Tarpeena dispatch team had already commenced operating the new AB3 transport system.

Innovation Leads to a More Resilient Business

An innovation in finished goods transport became the enabler to procure log supply from further afield, strengthened the security of log supply to the Tarpeena timber manufacturing hub, all at a time of business uncertainty due to natural fire disasters and the COVID pandemic, a great example of how innovation can position a business to nimbly turn potential adversity into opportunity.

[5] *https://www.truck.net.au/system/files/industry-resources/TAPs%20-%20Truck%20Impact%20Chart%20March%202018.pdf*

Modern Manufacturing Program

Modern Manufacturing Program (MMP) is essentially a Continuous Improvement / Operational Excellence program to transform our manufacturing processes into World Class operations through a focussed effort to build capability in our frontline workforce and middle management.

The bulk of the program is focussed at our two manufacturing facilities in Tarpeena and Bell Bay. To assist us in implementation of the program, we have engaged GHD Advisory as our partners to help us steer this program, heavily focussing on Asset Management as per ISO 55000 in Stage 1 and then as part of Continuous Improvement (CI) journey morph this into Total Productive Maintenance (TPM) approach with initiation of pillars to manage the scope on-going.

The program has been mapped out to 4 phases of TPM as shown in figure 9 and currently focus is on "Restore-to-Base" as per Phase 1 of TPM.

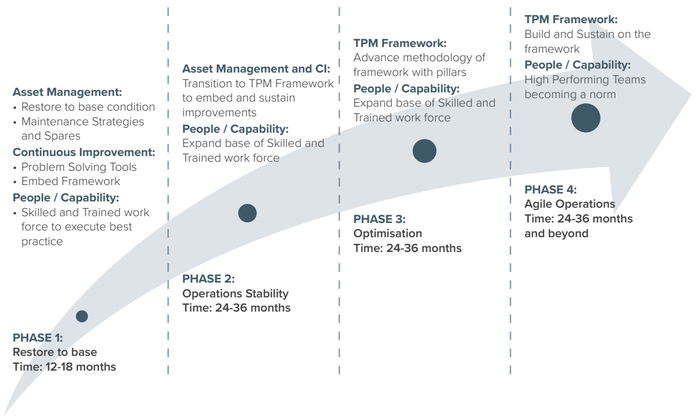


Figure 9 - Phases of the the Total Productive Maintenance program

Stage 1 with GHD, there are 4 major workstreams that will be focussed on with 80% of the work focussed on the first two workstreams

1. **Asset Management – ISO 55000 standard, Reliability-Centred Maintenance (RCM)**
2. **Continuous Improvement – Autonomous Maintenance, Daily Direction Setting, Focused Improvement**
3. **People / Capability – Change Management Model (ADKAR), Org Resource Design (ORD), Communications Matrix**
4. **Other Business Processes – Capital Management (Operations Readiness Framework)**

Diving deeper into Asset Management methodology – we have adopted a more practical approach by analysing our current state and mapping the risk as per our Risk Matrix to help prioritise our efforts where it matters most. We are following GHD Advisory's "Practical Risk-Based Approach for Asset Management" as shown in the flow chart.

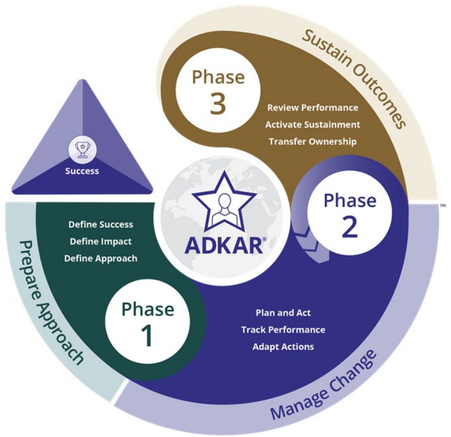
As part of Autonomous Maintenance, we conducted our very first "Deep Clean" activity at one of our manufacturing facilities – this was a remarkable activity that created a lot of positive sentiment and engagement when the entire workforce (from management to frontline workers) rolled up their sleeves and got active in the tasks at hand – a meeting of minds by all levels at the site.

Current State Assessment & Organisation Performance Model

	Structured Approach				Quick Wins
Work Scope (GHD)	**Work Streams**	**Asset Management**	**Continuous Improvement**	**People / Capability**	**Business Processes**	
	Packages / Cluster	Asset Hierarchy / Asset Register Review	Daily Direction Setting	Review Capability / Structures	Value Stream Mapping (VSM)	Prioritisation
		High Level Criticality Assessment	Autonomous Maintenance Steps 1 to 3	Change Management (ADKAR®) Model	Cost Allocation	Execution of Quick Wins
		Asset Condition Assessment	Reporting & Tracking	GAP Analysis	Capital Deployment	
		Maintenance Strategies & Spares (Existing and New)	Reviews & Follow-Up	Recommendations		
		Planning & Execution		Reviews & Follow-Up		
		Monitor & RCA				
		Feedback & Follow-Up				

Sustainability is engrained in the work we do and is also part of the MMP; as we uplift our performance, we become more productive, leaner, and faster – becoming more efficient in terms of resources we use. Measuring and monitoring performance is a key part of MMP to ensure all our activities are result oriented. For this purpose, we are developing "Balanced Scorecard" for our two manufacturing facilities at the Strategic-Level, focussing on each performance category. We are also bringing in Sustainability measures like Liquid Fuel and Electricity Consumption – key contributors to GHG Emissions; Waste-to-landfill; Recyclables and Air Emissions. Another area we are endeavouring towards is digitising our manufacturing footprint that drives "paperless" environment and having a futuristic outlook.

Prosci Methodology



Source: https://www.prosci.com/resources/articles/prosci-methodology

Recognising that MMP is a transformational journey like any CI / Operations Excellence (OpEx) program, we have consciously chosen to use formal Change Management approach. This is to ensure we are managing the "cultural change" aspect of the program and to keep our most important assets – PEOPLE at the forefront so that we design the program as per the principles of Human-Centred Design. To this end, we are using Prosci® Change Management suite of tools, of which ADKAR® methodology is central.

Prosci ADKR Model

A	**Awareness** - Of the need for change
D	**Desire** - To participate and support the change
K	**Knowledge** - On how to change
A	**Ability** - To implement desired skills & behaviours
R	**Reinforcement** - To sustain the change

Tarpeena Treatment Plant

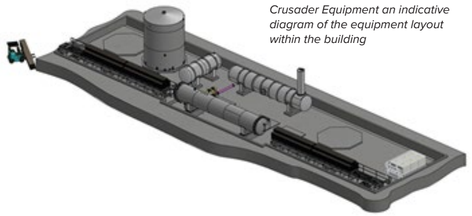
During late 2021, Timberlink announced a $5.3m upgrade to its Tarpeena manufacturing facility, with the installation of a new timber treatment plant.

The plant will utilise the latest technology to ensure the highest environmental standards are achieved. The treatment plant will produce Light Organic Solvent Preservative (LOSP). Timberlink Green low odour outdoor structural, a key part of Timberlink's timber product range.

The new Tarpeena treatment plant will eliminate the need to treat our products offsite. This logistical change will remove the current truck movements to and from the offsite treatment plant. Removing this truck movement alone has a great safety and environmental benefit with an estimated annual reduction of 1112 truck trips, 247 driving hours and approximately 29,680 kg of CO_2.

The treatment plant equipment will be in a new (to be built) dedicated treatment plant building. The building will be fully bunded, with a dedicated lower bund level for the equipment. Underneath the buildings concrete floor will be a 1.5mm HDPE plastic liner. The concrete bund and HDPE liner will be used to capture any liquid in the event of a failure. Including engineered test wells to the low point of the HDPE liner and external of the bund to consistently monitor the bund and liner integrity.

The project construction work has started and is expected to be complete early in 2023.



Crusader Equipment an indicative diagram of the equipment layout within the building

A computer generated image of the current site layout

A computer generated image of the planned site layout with new treatment building

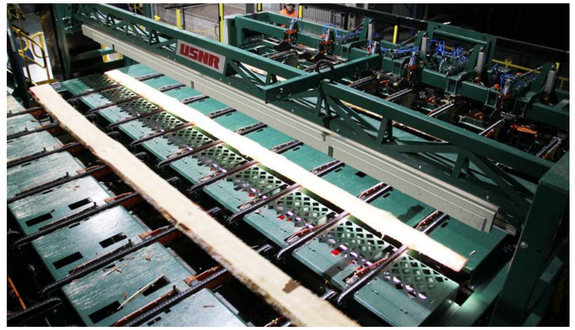
Bell Bay Vision Scanner Expansion Project

Timberlink Bell Bay produces and supplies high visual grade structural timber for use in outdoor treated applications, made from renewable Tasmanian grown plantation pine. Forecasting of log availability has identified that log sizes will reduce, and less pruned log will be made available to Bell Bay.

A new Green Mill Vision Scanning System commissioned in FY22 provides improved productivity from reduced log sizes and from less pruned logs. The system identifies every opportunity regardless of log type (sawlog or pruned) to recover quality timber for high grade applications. The scanner improves yield of visually graded timber of higher end value and improves the grade return from structural timber by centralising defects within pieces wherever possible, obtaining increased value from Tasmanian pine logs. It also provides a safer workplace with less manual handling.

The scanning solution utilises high speed colour vision and laser grain mapping to identify and measure natural features of each flitch such as knots and bark pockets, with conventional geometrical lasers to determine the overall geometry of the piece. Optimisation is then performed to determine the highest value solution obtainable from the flitch, considering both the geometry and significant defects on each flitch.

The replacement of the infeed system facilitates a higher throughput and reduces the need for physical intervention by the operator.



OUR PEOPLE

- Inaugural Graduate Program
- Emerging Leaders Program
- Frontline Leader Development Program
- Apprenticeship Program
- Work Experience and Career Expos
- Wellbeing Program
- Regionally Based Employees

Our vision – “as an employer of choice we will create a culture that values all Timberlink employees and the communities that we operate within. Recognised as the leading people function in the timber industry”

Inaugural Graduate Program

In 2022, Timberlink commenced its inaugural Graduate Program, welcoming two recent business graduates into a structured program to gain hands on experience in various functions of the enterprise. Commencing with rotations at Knoxfield, the graduates were also welcomed as participants of the Emerging Leaders Program and spent three months on location at one of our manufacturing facilities.

Emerging Leaders Program (ELP)

The Emerging Leaders Program entered its fourth year and with easing of travel restrictions the program was able to hold a workshop in the Mount Gambier region for the first time in its history. This event welcomed seven Tarpeena ELP alumni for dinner with this year’s nine participants and culminated with the alumni hosting a tour of the Tarpeena facility. This invaluable experience helped participants appreciate the ongoing investment, technology and scale of the Tarpeena operation and take important learnings back to their respective workplaces.

Frontline Leader Development Program

Our investment in our people continues with our Frontline Leader Development Program which welcomed another 20 participants for 2022. The program continually evolves with the changing needs of the business and is led by leadership specialists who not only facilitate the program but also follow up to support and coach in the workplace.

Apprenticeship Program

In 2022, Timberlink continued its development of local talent, with apprenticeship programs running at both the Tarpeena and Bell Bay sites. In Tarpeena, we welcomed another electrical apprentice, while at Bell Bay, given the level of interest in apprenticeship programs at the site, we accelerated the program and welcomed three mechanical apprentices and an electrical apprentice, through a combination of adult and school-based apprenticeships. Timberlink remains committed to providing opportunities through local pathways and will continue with the apprenticeship program in 2023.

Work Experience and Career Expos

With the easing of restrictions in early 2022, Timberlink has again been active with supporting local schools and industry led programs, including the Arbre School Forestry Work Experience Program in Tasmania and the Forestry Pathways Program in South Australia. We hosted 14 students on work experience during the year.

Timberlink, in addition to work experience opportunities being provided at both locations, have attended over 10 different expos, career talks and site visits across the first half of 2022 with more to come throughout the year.

The relationships that have been built over the past few years have started to position Timberlink as a key employer in the local communities, something we are extremely proud of and will continue to support year on year.

Students from Kings Meadow High School

We work hard to attract a diverse range of talented industry professionals, building strong relationships with our team and the community.

Wellbeing Program

Timberlink takes pride in providing a safe, stimulating, satisfying and enjoyable work environment for its staff. The four pillars in our wellbeing program, Protect, Respond, Promote and Assess provide a framework that supports staff in every aspect of their lives. With support, encouragement, resources, and tools designed to provide staff with balance, and a healthy physical and mental wellbeing.

After a review of our wellbeing program, Timberlink launched a new partnership to provide an Employee Assistance Program that extends beyond traditional models. The service offering now provides 24/7 support for staff and their immediate network. This dedicated resource now covers areas such as Legal Assist, Employee Assist, Family Assist, Money Assist and Nutrition Assist.

Regionally based Employees

We continue to be a significant employer in the regional areas where we operate. Around 82% of our people are in regional areas of Australia and New Zealand.

Location	% of Employees
Regional	
Bell Bay (Tasmania)	35.1%
Tarpeena (South Australia)	46.4%
Blenheim (New Zealand)	0.5%
Metro	
NSW, VIC, TAS, SA, WA	18%
TOTAL	100%

Employee Distribution by Years of Service:

Years of Service	Grand Total (as a business)
<1 year	25%
1-5 years	30%
6-10 years	15%
11-15 years	12%
16-20 years	8%
21-25 years	3%
26-30 years	2%
31-35 years	2%
36-40 years	2%
41-45 years	1%

Employee Distribution by Age:

Age	Blenheim	Tarpeena	Bell Bay	Rest of Business	Total Business
Up to 30	0%	9.7%	9.4%	1.3%	20.3%
31 - 50	0.4%	20.9%	16.2%	9.4%	46.8%
51 & Over	0.2%	15.8%	9.5%	7.4%	32.9%

SAFETY

- COVID-19 Management
- Home Safe - Everyone, Every Day
- Safety Performance

3 GOOD HEALTH AND WELL-BEING

During FY22 Timberlink undertook to broaden the focus of the safety program and increase the use of leading indicators.

Timberlink engaged an external partner to identify safety best practice and to challenge our norms.

This has led to reshaping Timberlink's concepts of safety specifically in relation to 'Safety Differently' or 'Safety II'. Timberlink retains the focus on the safety principles of Safe People, Safe Plant, Equipment & Environment, and Safe Systems but will bolster these with a more engaged and capable workforce.

Other attributes were introduced during the year to reinforce this new direction including the establishment of a safety corporate governance framework along with an injection of additional dedicated safety resources.

Timberlink maintained the injury performance from recent years and implemented prevention programs to control critical and other safety risks.

COVID-19 Management

Upon the emergence of COVID-19 in 2020, Timberlink established a Crisis Management Team (CMT) to identify and deliver advice and controls. The CMT remained in place during FY22 to monitor the ever changing COVID-19 risks and Government requirements.

Our sites remain healthy and safe for our workers with the provision of onsite COVID-19 and influenza vaccination programs and other supporting mechanisms.

Home Safe – Everyone, Every Day

Timberlink's Home Safe program aims to focus all workers on what is important in all our lives aimed at ensuring all of us arrive home safe every day. It isn't just about not being injured or becoming ill, it is also about how we can improve our mental fitness and cope with personal and work-related pressures.

Home Safe is about:

- Living our safety values and beliefs
- Working safely being prioritised
- Practicing an enabling leadership style
- Building employee engagement, empowerment, and trust

To create a step change in the Home Safe program, Timberlink is partnering with Art of Work who are expert consultants in safety differently. The executive team, along with thirty other participants from across the organisation came together to engage in a safety summit. The goals of the safety summit were to:

- Clarify the leadership role in driving safety culture
- Recognise that people are the solution to harness rather than a problem to solve
- Acknowledge that safety is about making things go right rather than fixing things that go wrong
- Reaffirm that safety is a shared responsibility for everyone in the business
- Facilitate a step-change in the way safety is thought about and practised at all levels at Timberlink, providing the CEO, the Board, and the Executive Leadership Team opportunities to speak to their aspirations and goals

The safety summit identified specific opportunities to improve the following programs:

- Communications
- Empowerment
- Onboarding
- Learning
- Engagement and Trust

Two innovation work teams were established to progress improvements in Onboarding and Engagement & Trust. The remaining programs will be resourced in the future.

Engagement of site teams began with the completion of 'mini' safety summits at Tarpeena, Bell Bay and a cross site distribution centre workshop.

Planning commenced to deliver three significant programs of work in FY23:

- Enabling Leadership training for approximately sixty participants
- Resilimap® Learning Team facilitation for three improvement teams
- Measuring Differently aims to reduce the reliance on lag indicators and to better identify the environmental and job task factors that increase the risk associated with work through predictive measurement aligned to safety due diligence requirements.

HOMESAFE®
Every one, every day

Home Safe is the behavioural program aiming to develop a stronger, more embedded safety culture. Home Safe has become the cornerstone and branding that brings the whole safety program together.

Safety Performance

Injury Performance

Whilst the injury rates recorded a slight increase during FY22 the severity of injuries did reduce significantly with average lost days reducing from 21 days to 6.6 days over the past year.

- The total recordable injury frequency rate (TRIFR) increased by 6% during FY22
- The lost time injury frequency rate (LTIFR) increased by three injuries during FY22
- The medical treated injury frequency rate (MTIFR) decreased by 1% during FY22

Near Miss to Injury Ratio

- A target of 45:1 ratio to reach the benchmark was exceeded in FY22 with an actual ratio of 47:1 achieved
- This represents a 10% improvement from the previous year

Corrective Action Closure

- The corrective action closure target was 90% for actions related to incidents or hazards
- There were 2,257 safety actions raised in FY22, with 95% closed, a 4% year on year improvement

Serious Events

- The events rated as serious (or catastrophic) decreased during FY22:
  - Actual catastrophic & serious frequency rate (CSOFR) reduced to 0.8 during FY22
  - Potential catastrophic & serious frequency rate (CSOFR pot.) reduced by 40% during FY22

TRIFR Increased by 6%

MTIFR Reduced by 1%

Corrective action close out 95%

CSOFR (pot) Reduced by 40%

Definitions:

TRIFR = ([LTIs + MTIs]/Total hours worked) * 1M	Total Recordable Injury Frequency Rate (TRIFR) – is the total number of lost time and medically treated injuries per million hours worked in a working period.
LTIFR = (LTIs/Total hours worked) * 1M	Lost Time Injury Frequency Rate (LTIFR) – is the Australian/New Zealand definition of the number of injuries resulting in at least one shift lost per million hours worked in a working period.
MTIFR = (MTIs/Total hours worked) * 1M	Medical Treatment Injury Frequency Rate (MTIFR) – is the number of medical treatment injuries (treatment defined in Australian Standard by a medical professional) per million hours worked in a working period.

OUR CUSTOMERS

- HomeFEST Tasmania
- FTMA National Conference

Timberlink places a strong emphasis on providing value to customers beyond timber supply in order to help them succeed in their businesses. At Timberlink we are focused on not only manufacturing sustainable timber, but to achieving this in a sustainable way.

In 2020, COVID-19 presented our customers with a number of new obstacles, starting with preparing for the worst-case scenario: a severe economic slump, followed by challenges keeping up with record-high demand for timber and other building materials. International supply chains were disrupted, and the volume of imported timber was reduced, exacerbating the situation. Customers received regular market information from Timberlink to help them plan. This covered housing start data and trend, renovations and timber import volumes.

HomeFEST Home and Renovation Show – Tasmania

During FY22, Timberlink exhibited at HomeFEST, Tasmania's largest and most successful home and renovation show. There were approximately 8,000 people in attendance over the course of the weekend, and the Timberlink booth was a hive of activity with team members showcasing our wide range of Tasmanian plantation pine products, answering product related questions and discussing the benefits of timber – The Ultimate Renewable™.

Frame & Truss Manufacturers Association

As a silver sponsor of the Frame and Truss Manufacturers Association, Timberlink funding helps to support frame and truss manufacturer customers with business support and advice including safe work practices, employment and training. We are committed to ensuring that the sector continues to grow and flourish.

Timberlink's Alan Holter and Jeff Moss at the FTMA National Conference.

> "There's plenty of indication that construction and renovating will be strong for a while yet"
> **Gareth Watson - State Sales Manager (TAS)**

COMMUNITY

- Supporting Local Communities
- Australian Timber Design Workshop
- DesignBuild Expo
- Industry Campaign
- Timberlink. Made of Tasmania.

At Timberlink we want to be intrinsically part of the local communities that we operate in, and that's why we support local community groups, sporting groups, and charities our employees and their families rely on.

Mt Gambier Community Mayor's Christmas Appeal

The Mt Gambier Community Mayor's Christmas Appeal is an annual fundraiser to support local agencies including Uniting Care, ac.care, Lifeline SE, St Vincent de Paul and The Salvation Army to provide food hampers, vouchers and gifts through the Christmas Cheer program.

The 2021 Christmas appeal raised more than $51,000, smashing previous records with Timberlink Tarpeena happy to contribute to the cause, supporting local community members in need during the festive season.

Timberlink General Manager - Tarpeena, Mark Eaton with Mayor of Mt Gambier, Lynette Martin

Launceston BMX Club Grandstand Upgrade

The Launceston BMX Club President took to social media seeking contributions of timber to replace the unusable grandstand. Timberlink was happy to answer the call.

We were able to assist with some product and with the support of our logistics partner, were able to incorporate the special delivery within our existing customer runs. The Launceston BMX club is one of three operating in Tasmania and is run totally by volunteers.

Australian Timber Design Workshop

Timberlink participated in The Australian Timber Design Workshop (ATDW) held at University of Tasmania. The course was a two-day intensive professional workshop created for building design professionals interested in timber-rich construction to develop skills, confidence, and networks in a unique, hands-on event.

The workshop combined self-paced online learning, presentations with key industry speakers – where our GM of Sustainability Dr. Trevor Innes presented on Wood Products and Carbon, and learning-by-making workshop sessions.

DesignBuild Expo – FSC® Australia & New Zealand speaker session

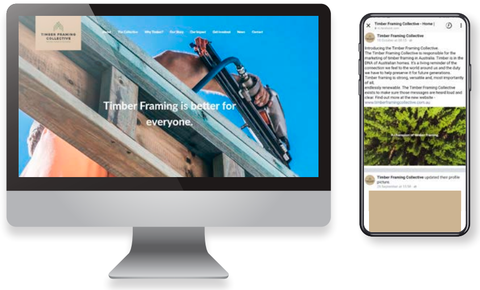
Luca Brown, NeXTimber® by Timberlink Sales Engineer joined the panel for the FSC® Australia and New Zealand session Achieving Positive Outcomes: Innovation and Integrity in the FSC Supply Chain at the 2022 DesignBuild Expo.

The session highlighted how FSC-certified products are creating positive outcomes for the built environment and what FSC's global response to the threat of climate change is. Luca is a civil engineer specialising in timber structures and off-site construction methods with experience in Europe, the US and Australasia. Luca is passionate about driving change in the building industry through the implementation of new design technology and environmentally positive building solutions. As part of Timberlink's market facing team, Luca is working to bring the new NeXTimber CLT & GLT engineered wood products range to market.

Industry – The Timber Framing Collective

During FY22 Timberlink joined other Australian softwood producers to form the Timber Framing Collective, a unified voice for the timber framing industry in Australia. The Timber Framing Collective's mission is to promote, establish and consolidate Timber Framing: The Ultimate Renewable™ as the leading building materials brand in Australia for residential construction.

By engaging with industry and stakeholders, the Timber Framing Collective aims to communicate the structural, economic, renewable and social benefits of timber framing. The Timber Framing Collective is financially supported by Australian softwood producers, importers, industry associations, peak industry bodies, building products suppliers and treatment suppliers and administered by the Australian Forest Products Association (AFPA), the peak body for resources, processing, and pulp, paper and bioproduct industries covering the forest products value chain.



Take a look at the new brand and visit https://timberframingcollective.com.au

Timberlink. Made of Tasmania.

Timberlink are proud to be the leading producer of plantation pine timber in Tasmania.

Following the successful "Together we build" campaign launched in 2018 to demonstrate Timberlink's commitment to the Tasmanian community, economy, and environment, we were excited to release a new and refreshed advertising campaign in FY22, "Timberlink timber links us all".

Using a diverse range of locations across Tasmania, including our Bell Bay manufacturing facility, local schools, retail stores and pine nurseries, we are proud to showcase real local talent and communities in a campaign that is truly Made of Tasmania. The print, radio, outdoor media and online advertising campaign highlights the positive impact that Timberlink's sustainably produced timber has in the Tasmanian community.

shorturl.at/ARTV3

TIMBERLINK TIMBER LINKS US ALL

HOW WE OPERATE

- Environment, Social and Governance Framework
- Strengthen Governance
- Modern Slavery

8 DECENT WORK AND ECONOMIC GROWTH

Environment Social and Governance (ESG) Framework

In FY22, Timberlink commenced the journey of implementing an ESG framework for Timberlink.

The Board approved ESG framework consists of four pillars:

Our Shared Environmental Footprint	Our Company Ways of Working and Being
• Greenhouse gas emissions reduction • Our products replace high-carbon materials • Sustainable resource supply • Water management	• Resource efficient production • Labour efficient production • Innovation and technology • Product quality
Our Accountabilities and Reasons to be Trusted	**Our Economic and Social Contribution**
• Ethical conduct • Risk management framework • Climate risk • Corporate governance	• Health and safety • Wellbeing • Diversity and inclusion • Community engagement

At Timberlink we understand that the ESG program is a journey, with each successful step forming the foundation for continued progress. Identifying a few key areas to commence the journey was important in establishing this foundation and to accelerate the momentum within the company.

With this in mind, we have identified six key areas to advance over the next financial year with representation from all four pillars of Timberlink's ESG framework.

Progress is also being made in other areas contributing to the ESG journey particularly around Health and Safety (see page 32) and Resource and Labour efficient production (see page 23).

Focus Area	Sub Focus Area	Pillar	Status
Green House Emission Reduction Commitment		Our Shared Environmental Footprint	Underway (Page 12)
Climate Risk Aware and Response		Our Accountabilities and Reasons to be Trusted	Underway
Execution of key ESG connected Capital Projects	Implementation of NeXTimber®	Our Company Ways of Working and Being	Launch expected FY24 (Page 21)
	Implementation of Wood Composite Products	Our Shared Environmental Footprint	Launch expected FY23 (Page 20)
Community Reach		Our Economic and Social Contribution	Underway
Give Meaning to Employer of Choice		Our Economic and Social Contribution	Underway

Modern Slavery

Timberlink continues to expand its Modern Slavery program to support its third Modern Slavery statement due at the end of 2022 calendar year. More than 300 Timberlink suppliers have completed a modern slavery questionnaire representing approximately 75% of the Company's procurement spend for FY22. Around 88% of these suppliers operate exclusively in Australia and/or New Zealand which significantly reduce the risk of modern slavery.

In addition, during the financial period, a Modern Slavery awareness program was successfully rolled out to 30% of the employees detailing the obligations under the Modern Slavery Act 2018, the risk factors associated with Modern Slavery, the signals to look out for and how we as a company can mitigate against these risks.

Strengthen Governance Structure

Since the inception of a more formalised approach to corporate governance at Timberlink in 2019, the Governance function has grown in both capability and capacity (see figure 10) year on year with FY22 not being any different. This year we welcomed two new governance related roles; Senior Legal Counsel and Group Safety Systems Lead to the fold with the significant safety program underway (see page 32) the need to separate safety governance and systems design from the safety program line deployment was considered an important factor in the program's success. Consequently, WHS group governance expertise now resides within the governance function.

Under the ESG program, one of the six focus areas (see page 42), was to strengthen the overall corporate governance within Timberlink. This has seen the introduction of the second Board Committee (beyond the Remuneration Committee) titled *Timberlink Board Safety, Environment and Risk Committee* (SER Committee). The inaugural SER Committee meeting is scheduled to take place in October 2022.

To support the establishment of the SER Committee and to oversee the ESG program, Timberlink sought to review and further bolster the internal governance structure. This will see the establishment of a Risk Council and a separate (to the existing WHS Council) Sustainability and Environment Council. All of which will complement the WHS Council and Capital Projects governance structure already in place (see figure 11).

2022

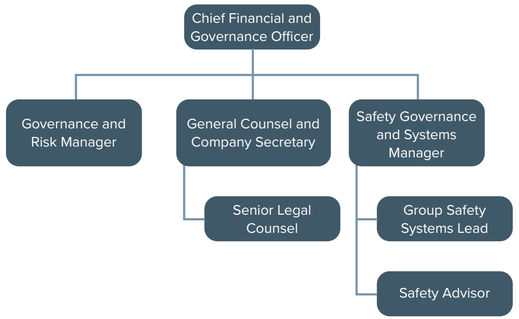


Figure 10: Governance Organisation Structure

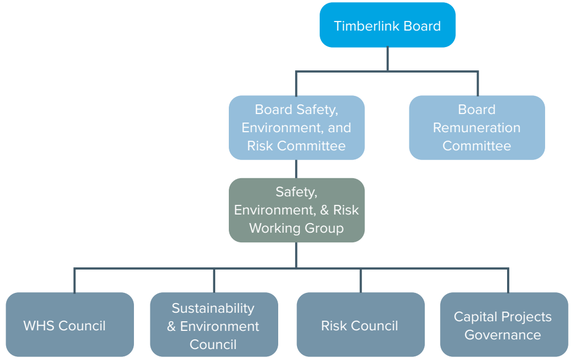


Figure 11: Corporate Governance Structure

Stakeholder Engagement Program

Stakeholder Group	Engagement Approach	
Timberlink Board	Reporting Meetings 5 year strategic planning 20 year strategic planning Business planning	Monthly Quarterly Annual Annual Annual
Investors	Site visits & meetings Sustainability reporting Strategic plan New Forests Investor meetings & conferences	As required Annual Annual Annual
Financiers	One-on-one meetings Covenant requirements reporting Financial reporting	Ongoing Quarterly Quarterly
Employees	Staff performance reviews Town hall site meetings Employee newsletter Company update Site safety committees Tool box talks	Bi-annual Periodically 3 issues p.a. Quarterly Monthly Daily
Customers	Customer satisfaction survey Customer relationship management & engagement Company website news Company external newsletter Manufacturing facility tours Social media	Annual Regularly Ongoing 3 issues p.a. On request Weekly
Suppliers	Key supplier reviews Supplier relationship management Supplier audits	Annual Ongoing Initial & then as needed
Non-government organisations	Industry group forums & associations meetings	Regularly
Media	Media releases Interviews Site visits	Regularly

Contact for Further Information
Dr Trevor Innes
General Manager Technical and Sustainability
Timberlink Australia Pty Ltd
tinnes@timberlinkaustralia.com.au

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timberlinkaustralia.com.au
timberlinknz.co.nz