

Chain of Custody Commitments

Paper Australia Pty Ltd (the **Company**) will implement a Chain of Custody (CoC) system for wood and forest based products that is certified to both the Responsible Wood® (**RW**) and Forest Stewardship Council® (**FSC**®) certification schemes. We will preferentially procure wood and fibre products from forestry companies, processors, manufacturers and suppliers which can demonstrate CoC management systems to RW, PEFC™ and / or FSC or to equivalent compliance requirements.

We will demonstrate our commitment to legal and regulatory requirements, by seeking to comply with AS 4707:2014 where the Company will operate a Due Diligence System to minimise the risk that the procured material originates in controversial sources, being forest activities that:

- (a) do not comply with local, national, or international legislation applying to forest related activities, in particular in the following areas:
 - (i) forestry operations and harvesting, including biodiversity conservation and conversion of native forest to other use;
 - (ii) management of areas with designated high environmental and cultural values;
 - (iii) protected and endangered species, including requirements of CITES;
 - (iv) health and labour issues relating to forest workers;
 - (v) indigenous peoples' property, tenure and use rights;
 - (vi) third parties' property, tenure and use rights; and
 - (vii) payment of taxes and royalties.
- (b) do not comply with legislation of the country of harvest relating to trade and customs, in so far as the forest sector is concerned.
- (c) use genetically modified forest based organisms.
- (d) convert native forest to other vegetation types, including conversion of native forest to plantations.

We will also seek to comply with the requirements of FSC-STD 40-004 V3 regarding the following activities:

- (a) illegal logging or the trade in illegal wood or forest products.
- (b) violation of traditional and human rights in forestry operations.
- (c) destruction of high conservation values in forestry operations.
- (d) significant conversion of forests to plantations or non-forest use.
- (e) introduction of genetically modified organisms in forestry operations.
- (f) violation of any of the ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998.

We will maintain, provide assurance with respect to, and continually improve our CoC systems, including by undertaking internal audits and independent third party certification to the CoC standards (namely, AS 4707; FSC-STD-40-004).



Tomoaki Koyanagi
Chief Executive Officer