

Responsible Fibre Sourcing Policy

As a member of Nippon Paper Group and one of Australia and New Zealand's leading recycling, packaging and paper manufacturers, Opal is committed to responsible fibre sourcing.

Opal will preferentially procure wood and wood fibre materials from forestry companies, waste paper collectors, processors, manufacturers and suppliers that can demonstrate effective Chain of Custody (CoC) systems that align with either Program for the Endorsement of Forest (PEFC) and/or are certified in accordance with the Forest Stewardship Council® (FSC®).

To comply with legal and regulatory requirements and the Chain of Custody, PEFC ST 2002:2020 Standard, Opal operates a due diligence system to minimise the risk that the procured forest and tree-based materials are sourced from controversial sources or activities, including:

- a) activities that do not comply with applicable local, national, or international legislation on forest management, including but not limited to those relating to:
 - i. forest management practices;
 - ii. nature and environmental protection;
 - iii. protected and endangered species;
 - iv. property, tenure and land-use rights for indigenous people, local communities, or other affected stakeholders;
 - v. health, labour, and safety issues;
 - vi. anti-bribery and anti-corruption; and
 - vii. payment of applicable royalties and taxes.
- b) activities where the capability of forests to produce a range of wood and tree-based forest products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained in the long term.
- c) activities where forest management does not contribute to the maintenance, conservation, or enhancement of biodiversity on landscape, ecosystem, species, or genetic levels.
- d) activities where ecologically important forest areas are not identified, protected, conserved, or set aside.
- e) activities where native forest conversions occur, except in the following justified circumstance where the conversion:
 - i. is in compliance with local, state and territory and national policy and legislation applicable for land use and forest management, and;
 - ii. does not have negative impacts on ecologically important forest areas, culturally and socially significant areas, or other protected areas, and;
 - iii. does not destroy areas of significantly high carbon stock, and;
 - iv. contributes to long-term conservation, economic, and/or social benefits.
- f) activities where the spirit of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work (1998) is not met.
- g) activities where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met.
- h) conflict timber.
- i) genetically modified trees.



Opal is committed to complying with the requirements of the Chain of Custody Certification FSC-STD 40-004 V3.1 by confirming that Opal is not directly or indirectly involved in the following activities:

- a) illegal harvesting or illegal trade in forest products;
- b) violation of customary or human rights within the forestry or forest products sector;
- c) violation of workers' rights and principles defined in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work within the forestry or forest product sector;
- d) destruction of High Conservation Values (HCVs) in forests or High Conservation Value areas;
- e) conversion of natural forest cover; and
- f) use of genetically modified organisms in forestry operations for any other purposes than research.

Opal is also committed to the FSC Core Labour Requirements and to ensuring that the fibre supply chain is free from child and forced labour and modern slavery, which are covered under Opal's [Code of Conduct](#) and [Supplier Code of Conduct](#).

Opal suppliers are required to adhere to the [Supplier Code of Conduct](#).

As one of Australia and New Zealand's largest paper recyclers and producer of recycled paper based products, Opal is committed to ensuring recycled wood fibre is sourced and processed following the standard FSC-STD-40-004.

Opal uses a centralised system for complaints and non-conformance management, including recording, tracking, corrective actions, preventive measures, and management review to ensure ongoing compliance with CoC standards and the relevant legal requirements.

Opal will maintain, provide assurance with respect to, and seek to continually improve our CoC systems, through internal audits and independent third-party certification to the CoC standards (namely; PEFC ST 2002:2020; FSC-STD-40-004).

A handwritten signature in black ink, reading "Chris Nagaura".

Chris Nagaura
Chief Executive Officer
Opal Group

This policy applies to Paper Australia Pty Ltd (ABN 63 061 583 533) together with its subsidiaries (collectively referred to as "Opal") including its directors, officers and employees ("team members") while conducting Opal's business, operations and undertakings. Opal may vary and update this policy from time to time.