



Forest and Tree Based Products Procurement Policy (also known as the Chain of Custody Policy)

Preliminary

At Woodco we recognise our responsibility to current and future generations to promote sustainable forest management. We understand the importance of sourcing negligible risk forest and tree based products and acknowledge that by encouraging the demand for products originating in sustainably managed forests, we can help stimulate the potential for market-driven continuous improvement of the management of the world's forests.

Policy Purpose

This policy aims to ensure that Woodco fulfils our obligations arising from the Australian Illegal Logging Prohibition legislation and meets the requirements of the chain of custody standards set by Responsible Wood and the Programme for the Endorsement of Forest Certification (PEFC).

This policy outlines our system of principles that guide the decisions we make when assessing the origin of forest and tree based products.

Policy Statement

We commit to comply with local, national, or international legislation applying to accepting forest and tree based products from forest related activities.

We commit to implementing, maintaining and improving a chain of custody system in accordance with the requirements of the standards AS 4707 and PEFC ST 2002.

We commit to operating Due Diligence System (DDS), per the requirements of the AS 4707 and PEFC ST 2002 standards and the Australian Illegal Logging Prohibition legislation.

We commit to providing the necessary human resources and technical facilities to ensure that this policy is effective.

Policy Scope and Applicability

This policy applies to the procurement of forest and tree based material by Woodco to supply firewood and kindling to our customers.

Strategic Objectives

The strategic objectives for this policy are to not:

- Process, trade or place on the market products from unknown sources or from controversial sources and, or, products reasonably suspected to come from illegal sources. Furthermore, these types of products shall not be included in our chain of custody system product groups
- Procure material from activities not complying with applicable local, national or international legislation on forest management.
- Procure material where harvesting levels exceed a rate that can be sustained in the long term.
- Procure material where maintenance, conservation or enhancement of biodiversity on landscape, ecosystem, species or genetic levels is not maintainable through the forest management practices.
- Procure material from activities where ecologically important forest areas have not been identified, protected, conserved or set aside.
- Procure material from genetically modified forest based organisms.¹
- Procure material from the conversion of native forests to other vegetation types, including conversion of native forest to plantations other than in justified circumstances.²

¹ The exclusion of material from genetically modified forest based organisms remains in force until 31 December 2022 as per AS 4707-2014.

² Justified conversion circumstances are outlined in PEFC ST 2002-2020 at 3.7 (e) (i)-(iv).



Strategic Action

We do not import forest or tree based material and as such we confirm that we:

- Do not use conflict timber.
- Are not directly or indirectly involved in dealing in any restricted forest based material from overseas.

Strategic Outcomes

The tangible strategic outcomes for this policy have been defined as:

- Establishment of a documented DDS.
- Documented risk assessments for all suppliers demonstrating material has only been procured from negligible risk suppliers.
- Maintained records of all chain of custody system inputs.
- Maintained records of all chain of custody system product sales or transfers.
- Maintained records of system reviews and improvement processes such as internal audits, the periodic chain of custody review, non-conformities and corrective actions.
- Maintained records of substantiated concerns, complaints and their investigating and resolution.

Performance Indicators

The success of this Policy may be measured in terms of:

- Compliance with the Australian Illegal Logging Prohibition legislation.
- Certification to the AS 4707 and PEFC ST 2002 standards.

Circulation and Communication

This policy shall be made available to Woodco personnel, suppliers, customers, and other interested parties.

Responsibility and Authority

The overall responsibility and authority for this policy has been appointed to the Chain of Custody Manager.

Review and Applicability

This Policy should be reviewed annually. The review process should include a review of the Policy in conjunction with the chain of custody system performance, consultation with relevant parties, and input from top management.

Endorsement Date: 29 January 2021

Endorsement Approval By: Michael Petrero, Director

Signature:

Policy Version: 1.1