



RESPONSIBLE SOURCING POLICY (EUTR)

MONDAY 19 SEPTEMBER 2022



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Version 2.0: Responsible sourcing policy according the guidelines of the EUTR

Obligation of the Management

The Forestia Group and its members (TFG), are committed to sourcing products and services that guarantee that goods come from legal and well-managed forests certified according to convincing certification standards and/or come from reusable and/ or recycled materials. As the cornerstone of this obligation, we operate a Responsible Sourcing Program through which we promote the marketing of legally obtained and environmentally responsible timber, timber products and/ or wood fiber containing products.

Legality

TFG is committed to sourcing only timber and/ or timber products that have been obtained, processed, transported and traded in accordance with applicable laws in the country where the trees were originally harvested, as well as throughout the supply chain.

By applicable legislation TFG refer to the following types of legislation applicable to the harvesting and trade of timber and/ or timber products. This definition aims to meet international requirements such as those applied in the EU Timber Regulation, the US Lacey Act and the Australian illegal Logging Prohibition Act:

1. Legal right to harvest
 - 1.1 Land Ownership and Management Rights
 - 1.2 Concession licenses
 - 1.3 Management - and harvest planning
 - 1.4 Relevant felling permits
2. Taxes and Payments
 - 2.1 Payment of tax, royalties and the logging license fee
 - 2.2 Value added taxes and other sales taxes
 - 2.3 Income and profit taxes
3. Timber harvesting activities
 - 3.1 Timber harvesting regulations
 - 3.2 Protected areas and species
 - 3.3 Environmental requirements
 - 3.4 Health and safety
 - 3.5 Legal employment
4. Third Party' Rights
 - 4.1 Customary rights
 - 4.2 Free, Prior and Informed Consent (FPIC)
 - 4.3 Far-reaching rights of indigenous and traditional population

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5. Trade and transport

- 5.1 (Latin) classification of wood species, quantities and qualities
- 5.2 Trade and transport
- 5.3 Offshore trading and transfer pricing
- 5.4 Customs regulations
- 5.5 CITES

In addition to the applicable legislation, TFG is committed to taking all due care and possible measures to prevent wood and/ or wood products of the following origins and categories from approaching the European market:

- Countries with sanctions imposed on timber imports and/ or exports by the UN Security Council or the EU Council.
- Countries or areas where armed conflicts occur, where 'conflict wood' may apply. The term conflict timber is used to describe the harvesting or trade of forest products that is used to finance parties involved in armed conflict resulting in serious violations of human rights, violation of international humanitarian law or violations resulting in crime under international law ¹.

Supply chain management and information and supplier selection

TFG take their responsibilities in collecting and evaluating information about the country of origin, about suppliers, about the originality of the presented and relevant documents and about the origin of the material, so that they can apply an effective risk assessment and indexing before the wood and/ or make the wood products available on the European market. For example, TFG will only source wood and/ or wood products through suppliers who:

- Fully agree with the TFG requirements by signing a supplier's declaration form 1, form 2, or a supplier's declaration drawn up by a monitoring organization designated by the European monitoring organization.
- Provide full transparency, possibly through the intervention of an independent audit body, in the System of Care used by them, which has been drawn up in accordance with the general guidelines of the EU Timber Regulation.
- Supplying and/ or operating as a market participant with Latin American and African origin is FSC®-compliant, whereby TFG is regarded as a trader.
- Being a FLEGT licensee with Indonesian origin, which qualifies TFG as an operator under the EUTR Timber Regulation.

Risk assessment and mitigation

TFG conducts risk assessment on all suppliers and supplies of timber and/ or timber products to evaluate and prevent the risk that the purchased goods and/ or products are from illegal sources or have been illegally traded. In case risks are identified which can't assess as nil or negligible, TFG take appropriate risk

¹Alexandra Pardal, Campaign Leader, Global Witness. 'Conflict timber and the EU's FLEGT programme: the case of Central African Republic.' (Presentation given at EU FLEGT conference, Brussels, March 18, 2015)



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mitigation measures to avoid any potential risk of placing wood and/ or wood products of questionable origin on the European market.

Monitoring and Verification

TFG monitors internal systems and procedures carefully and constantly. If necessary and applicable, access will be granted for external audits, to enable verification that the relevant systems are applied with sufficient or advanced knowledge as required.

Environmental Responsibility

TFG is committed to promoting responsible stewardship of the environment and its natural resources. In addition, they are committed to limiting the impact on the environment caused by their own activities or by the activities caused by their suppliers to obtain, process, transport and trade the wood and/ or wood products on their behalf.

Certification

TFG is committed to sourcing, wherever possible, timber and/ or timber products certified according to an internationally recognized standard for responsible forest management to optimally guarantee that the material originates from well-managed forests.

Continuous improvement

TFG is committed to continuously improving the sustainability level of their procurement by favoring the latest certification and verification standards and requirements and by avoiding procurement from unknown or questionable unsustainable sources.

Social responsibility

TFG is committed to carefully avoiding involvement in, profiting from or exploiting controversial business practices, such as, but not limited to:

- Any form of forced and/ or inhumane labor, including servile labor, prisoner forced labor, slavery, servitude, or human trafficking.
- The use of child labor. The minimum age for employment shall not be less than the age for completing compulsory education and shall never be less than 15 years.
- Discrimination based on race, color, sex, language, religion, political or other opinion, caste, national or social origin, property, birth, union membership, sexual orientation, health status, family responsibilities, age and disability or other distinguishing individual characteristics.
- Unsafe or unhealthy working environments with an increased risk of fire, persistent noise, increased risk of accidents and/ or careless storage of toxic substances or sharp, life-threatening goods and/ or tools.
- Adequate health and safety measures and assistance procedures must be available for inspection at all times. Flight plans must be publicly displayed and emergency services must be present and accessible at all times within all companies within our supply chains to protect employees.

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When we register that one or more of the above points apply to our organization or to one of our suppliers, we commit ourselves to taking relevant steps to correct these shortcomings immediately or applicable in the foreseeable future, but at all times efficiently, adequately and sustainably.

Commitment

TFG will remain committed to maintaining the EUTR requirements regarding the supply chain and basic labor conditions in interaction with applicable national laws and regulations and shall continually:

- Show respect for fundamental human rights.
- Prevent negative consequences for society.
- Conducting ethical business practices.

Re-assessment and amendment of this policy

We ensure that this responsible sourcing policy statement, including all associated documents, is periodically re-assessed and adapted to the latest legislation.

Communication and stakeholders

This responsible sourcing policy statement will be published publicly on the website(s) of TFG and will be communicated to suppliers and other interested parties.

Signature, place and date



RESPONSIBLE SOURCING POLICY (FSC)



The mark of
responsible forestry
FSC® C003450

MONDAY 19 SEPTEMBER 2022



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Version 2.0: Responsible sourcing policy according to the guidelines of FSC®

Obligation of the Management

In accordance FSC®-POL-01-004 The Forestia Group and its members (TFG), are committed to sourcing products and services that guarantee that goods come from legal and well-managed forests certified according to convincing certification standards and/or are made of reusable and/or recycled material. As the cornerstone of this obligation, we operate a Responsible Sourcing Program through which we promote the marketing of legally obtained and environmentally responsible timber, timber products and/or wood fiber containing products.

We are also committed to

- complying with the FSC® values as described in the "Policy for the Association of Organizations" (FSC-POL-01-004, July 2009)
- when purchasing raw material from species listed in Appendix I to III of CITES, to comply with applicable international, European and national regulations related to CITES;
- not to buy raw material from forest(s) that originate from countries where a UN or relevant EU or national sanction, related to export/ import of raw material from forest, is in force;
- not to use conflict wood;
- not to buy woody raw material from genetically modified organisms;
- not to process woody raw material that comes from forest(s) that has been converted to other vegetation types, including conversion of primary forest into plantations;
- upon receiving substantial comments and/or complaints about compliance with legality and other criteria cited from controversial sources, discontinue purchasing the material concerned;
- has trained/instructed its employees to act in accordance with the applicable EUTR and FSC® standards, which have been translated into internal procedures and instructions;
- continuously striving for and creating a social, safe and healthy work environment for its employees and to comply with applicable laws and regulations;
- making the necessary resources available to effectively manage the FSC® Chain of Custody.

The FSC® Chain of Custody is certified at Felix Clercx trading company BV in accordance with:

- FSC® -STD 40-004 V3-1 EN/NL CoC (Main Standard)
- FSC®-STD 40.004a V2-0 (product classification)
- FSC®-STD-50-001 V2-2 (logo usage)

Monitoring and Verification

TFG monitors internal systems and procedures carefully and constantly. If necessary and applicable, access will be granted for external audits, to enable verification that the relevant systems are applied with sufficient or advanced knowledge as required.



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Environmental Responsibility

TFG is committed to promoting responsible stewardship of the environment and its natural resources. In addition, they are committed to limiting the impact on the environment caused by their own activities or by the activities caused by their suppliers to obtain, process, transport and trade the wood and/ or wood products on their behalf.

Certification

TFG is committed to sourcing, wherever possible, timber and/ or timber products certified according to an internationally recognized standard for responsible forest management to optimally guarantee that the material originates from well-managed forests.

Continuous improvement

TFG is committed to continuously improving the sustainability level of their procurement by favoring the latest certification and verification standards and requirements and by avoiding procurement from unknown or questionable unsustainable sources.

Social responsibility

TFG is committed to carefully avoiding involvement in, profiting from or exploiting controversial business practices, such as, but not limited to:

- Any form of forced and/ or inhumane labor, including servile labor, prisoner forced labor, slavery, servitude, or human trafficking.
- The use of child labor. The minimum age for employment shall not be less than the age for completing compulsory education and shall never be less than 15 years.
- Discrimination based on race, color, sex, language, religion, political or other opinion, caste, national or social origin, property, birth, union membership, sexual orientation, health status, family responsibilities, age and disability or other distinguishing individual characteristics.
- Unsafe or unhealthy working environments with an increased risk of fire, persistent noise, increased risk of accidents and/ or careless storage of toxic substances or sharp, life-threatening goods and/ or tools.
- Adequate health and safety measures and assistance procedures must be available for inspection at all times. Flight plans must be publicly displayed and emergency services must be present and accessible at all times within all companies within our supply chains to protect employees.

When we register that one or more of the above points apply to our organization or to one of our suppliers, we commit ourselves to taking relevant steps to correct these shortcomings immediately or applicable in the foreseeable future, but at all times efficiently, adequately and sustainably.

Commitment

TFG will remain committed to maintaining the FSC® Chain of Custody and complying with the FSC® requirements regarding the supply chain and basic labor conditions in interaction with applicable national laws and regulations. This also means that TFG, in accordance with the social, health and safety requirements of the FSC® Chain of Custody standard:

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- not prevent workers from freely associating, choosing their representatives and negotiating collectively with their employer;
- do not use forced labour;
- not hire employees who are under the legal minimum age;
- provide equal treatment to all employees, including in the areas of: recruitment, promotion, division of labor and dismissal;
- Provide healthy and safe working conditions including documentation and reporting.

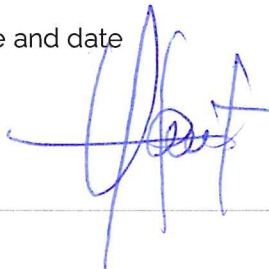
Re-assessment and amendment of this policy

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Communication and stakeholders

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Signature, place and date

 *Cambesart* 20/07/2022



RESPONSIBLE SOURCING POLICY (PEFC)



MONDAY 19 SEPTEMBER 2022



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Version 2.0: Responsible sourcing policy according to the guidelines of PEFC

Obligation of the Management

In accordance with PEFC ST 2002:2020, The Forestia Group and its members (TFG), are committed to sourcing products and services that guarantee that goods come from legal and well-managed forests certified according to convincing certification standards and/or are made of reusable and/or recycled material. As the cornerstone of this obligation, we operate a Responsible Sourcing Program through which we promote the marketing of legally obtained and environmentally responsible timber and/or timber products.

Taking into account that:

- the forests on our earth are invaluable: 80% of all animal and plant species depend on the forest. Forests provide shelter and work for many hundreds of millions of people, protect us from the dangers of erosion and flooding and the trees that grow there capture CO₂ as they grow. The forest thus also provides us with an environmentally friendly, inexhaustible and renewable raw material: wood; provided that they come from sustainably managed forests;
- Forests worldwide are under pressure from deforestation and poor management. It is important that forests are managed 'sustainably'. By balancing the ecological, social and economic functions, the forest can be preserved for future generations and continue to fulfill the many functions for humans and animals;
- Currently less than 10% of forests are demonstrably managed sustainably, There is an urgent need to expand certification of good forest management. Widespread adoption of various internationally recognized forest management certification systems is the biggest contributor to advancing sustainable forest management worldwide;
- As a trader of wood and wood products, TFG has a responsibility to ensure that this use is not at the expense of the forest and future generations and is therefore committed to promoting sustainable management of forests. By asking for products from sustainably managed forests, TFG want to stimulate the improvement of forest management and discourage unsustainable forms of management.

Decisions

- TFG prefers certified suppliers who can demonstrably supply products from sustainably managed forests. It is important to TFG that this provenance is demonstrated through credible, independent Chain of Custody certification based on agreed international requirements and standards. In this context, TFG recognizes PEFC, FSC® and quality marks based on equivalent principles as proof of proven origin from sustainably managed forests.



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Commitment

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- not prevent workers from freely associating, choosing their representatives and negotiating collectively with their employer;
- do not use forced labour;
- not hire employees who are under the legal minimum age;
- provide equal treatment to all employees, including in the areas of: recruitment, promotion, division of labor and dismissal;
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Signature, place and date

Helmond 20/09/2022 