

# RESPONSIBLE FORESTRY AND PROCUREMENT POLICY

Danzer commits itself to responsible forestry and procurement, practicing due diligence to ensure the legality and responsible origin of our wood products.

First, we source any timber from our own and third-party forests in an environmentally and socially responsible manner, and our goal is to procure from sustainably managed forest. This not only applies to Danzer but also to its entire (own or third party) supply chain.

Second, it is our aim to ensure due diligence and legal compliance with relevant forestry, social, and environmental legislation such as the EU Timber Regulation (No. 995/2010), the UK Timber Regulation (Timber and Timber Products (Placing on the Market) regulations 2013, as amended) and the United States Lacey Act (2008). We also comply with relevant international treaties, business, and trade regulations. We safeguard the human rights of all parties involved and prohibit the use of Child and Forced Labor (defined by International Labor Organization) in the entire supply chain.

Danzer maintains continually audited certificates against internationally recognized standards for good forest management and human rights (e.g. FSC<sup>®</sup>, PEFC<sup>™</sup>), that assures the traceability, performance, and reliability of Danzer procurement.

Based on a Due Diligence analysis of our sources and suppliers, we declare that all wood is originating from legal and responsible sources and suppliers, in particular:

- that the wood has been legally produced, purchased, and harvested, in accordance with the applicable legislation in the country of harvest and with international conventions, covering the following aspects:
  - rights to harvest timber within legally attributed boundaries (harvest permits)
  - payments for harvest rights and timber including duties related to timber harvesting

<sup>1</sup> As defined by FSC-STD-01-001 (V5-0), 2012; FSC-STD-40-005 V3-1, FSC Controlled Wood and, PEFC ST 2002:2020 Chain of Custody (CoC) § 3.7. STD-40-005 V3-1, FSC Controlled Wood and, PEFC ST 2002:2020 Chain of Custody (CoC) § 3.7.

<sup>2</sup> As defined in the ILO Declaration on Fundamental Principles and Rights at Work.

- timber harvesting legislation (including forest management, environmental and biodiversity conservation)
- human rights and 3rd parties', local communities' and Indigenous Peoples', rights concerning use and tenure affected by timber harvesting, including the ILO Convention 169 (1989) and the UN Declaration on the Rights of Indigenous Peoples (2007)
- occupational health and safety, and workers' rights cf. the ILO Core conventions (1998), i.e. freedom of association; the right to collective bargaining; the elimination of forced and child labor and, non-discrimination in the workplace
- trade, transport, and customs, in so far as the forest sector is concerned
- the Convention on International Trade of Endangered Species (CITES)
- that the wood is not originating from regions or countries with the prevalence of armed conflict, or where Sanctions on import or export are imposed by the EU, UN or National Institutions
- that the wood is not originating from following activities:
  - destruction, during forestry operations, of High Conservation Values or High Carbon Stock forests or peatlands (ecologically important forest areas)
  - forests where the sustainable production of a range of wood and non-wood forest products and services is not assured or harvesting levels are unsustainable
  - forest that are managed in a way which does not contribute to the maintenance, conservation or enhancement of biodiversity
  - deforestation, including the conversion of natural forests or peatlands to other land-use
  - the introduction, in the context of forestry operations, of genetically modified organisms
- that we treat our suppliers fairly and equally at all times while still ensuring that each supplier adheres to our Danzer Commitment to:
  - assure compliance with national and international legal requirements
  - respect fundamental human rights
  - avoid adverse impacts on communities, adopt ethical business practices
- that we will continually conduct risk assessments on our supply chain by:
  - obtaining and evaluating necessary information about the origin of wood products to indicate compliance with national legislation
  - systematically assess the risk of illegal timber entering the supply chain
  - implement risk mitigation where risks are identified
  - provide substantiating documentation to customers upon request
  - scrutinize all suppliers to assure compliance with our requirements
  - set targets and implement action plans for improvement in our supply chain
  - recognize the achievements of our suppliers

- that we will maintain an active commitment to legal standards and to social and ethical practices
- that we will continually improve our knowledge of socially and environmentally responsible supply chain management practices.

SIGNATURE BY DANZER REPRESENTATIVE

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Date    Name    Signature

SIGNATURE BY SUPPLIER

I declare to abide to the Danzer policy and requirements stipulated in this document, for all wood and wood products that are sold to Danzer.

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Date    Name    Signature