

## Visy Pulp and Paper DDS Process Summary 2023-2024

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### Intent

To obtain comprehensive information regarding the origin of fibre sourced for Visy Tumut operations and assess the complexity of the supply chain.

Risk and Mitigation is documented and aligned with *Requirements for Sourcing FSC® Controlled Wood (FSC-STD-40-005 version 3-1)*, *Chain of Custody of Forest and Tree Based Products – Requirements (PEFC ST 2002:2020)* and application of a Due Diligence System (DDS) for compliance with the *Illegal Logging Prohibition Act 2012 (Cth)*. The Risk Assessment and Risk Mitigation strategy is outlined in the *Visy Controlled Wood Risk Assessment and Mitigation Plan (RAS-VPP-FSC-002)* and for the Programme for the Endorsement of Forest Certification (PEFC), in the *PEFC Fibre Supplier Risk Assessment (RAS-VPP-FSC-001)*.

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### Why

To implement a system for verification of the origin of wood or forest products procured directly from forestry operations or supplied by primary processors in the form of wood residues.

To gain an understanding of the complexity of the supply chain and ensure Visy has sufficient information to assess the risk of sourcing from unacceptable sources.

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### How

1. The Visy Program Manager – Fibre Stewardship and Visy Fibre & Forestry Manager will review all current suppliers and existing supply agreements.
  2. Visy Representatives will obtain general relevant information regarding the supply of fibre to Visy Tumut upon new supply and change to existing supply.
  3. Continual and more specific supplier information will be obtained throughout the term of the supply agreement.
  4. Information will be checked against existing parameters to ensure its accuracy.
  5. Information regarding sub-suppliers will be obtained.
  6. Information will be recorded, saved and reviewed annually as a minimum.
  7. Information will be used to conduct a risk assessment on the origin and supply chain for each of the suppliers in the supply chain – refer *Visy Controlled Wood Risk Assessment and Mitigation Plan (RAS-VPP-FSC-002)* and *PEFC Fibre Supplier Risk Assessment (RAS-VPP-FSC-001)* including Sale of Controlled Sources.
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Where the risk can not be determined as 'Low', Visy will implement a Risk Mitigation plan – refer *Visy Controlled Wood Risk Assessment and Mitigation Plan (RAS-VPP-FSC-002)*

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## Supplier Information

During 2023-2024, Visy plans to source pulplogs and sawmill residue from suppliers within Australia. Districts of supply include; New South Wales, Northern Victoria and the Australian Capital Territory, with a possibility of additional small volumes from South Australia.

### 1. Review of Existing Supply Agreements

Visy has existing supply agreements with all suppliers of pulplogs or sawmill chips. These supply agreements contain information that is integral to Visy's DDS. The Visy Fibre & Forestry Manager is required to review the supply agreement and validate the following:

- a) Supply of the negotiated volumes is commercially viable in the supply zone stated
- b) The species being supplied is available in commercial volumes in the supply area stated
- c) The harvest and haulage arrangements are consistent with the stated supply zone and estimated volumes.

This information can be verified a number of ways; utilising existing industry or historical data, or conducting a site visit to the relevant supply locations. The Visy Program Manager – Fibre Stewardship and Visy Fibre & Forestry Manager will use discretion in determining method for verifying this information.

### 2. Obtain Relevant Information – Initial

Visy currently obtains information on the supply of pulplogs at various times throughout the sourcing arrangement. Information is gathered during the supply agreement negotiation stage, from harvest plans for specific sourcing, and upon review of these agreements annually. The following information is obtained from each supplier:

- a) Supplier name, address and contact information
- b) Geographical sourcing area, known as the supply zone.
- c) Type of material (pulplogs, sawmill chips etc)
- d) Species of material to be supplied
- e) Approximate volumes and supply periods
- f) Details of Haulage and Harvesting arrangements.

### 3. Obtain Relevant Information – Continual

Ongoing information is obtained throughout the supply agreement through the harvest plan and delivery and invoice documentation. This information assists Visy to conduct ongoing verification of the origin and supply chain. Additional information obtained includes:

- a) Exact geographic location and size of harvest area

- b) Forest name and compartment numbers
- c) Specific age class for the relevant compartments for harvest
- d) Date and time of delivery
- e) Harvest and haulage contractor details
- f) Tonnage supplied per delivery and more general approximations per compartment

#### 4. Validating the Information

Visy's Fibre & Forestry Manager has existing processes for ensuring the supply of fibre to Visy Tumut is consistent with established supply agreements. It is in Visy's commercial interest to ensure supply is reconciled against supply agreements.

#### 5. Sub-supplier Details

Visy sources and trades in residues (chip) from sawmill suppliers that have been supplied wood fibre from sub-suppliers. These sawmills are supplied sawlogs by generally the same suppliers that supply pulplogs to Visy. To ensure the accuracy of this claim, Visy will undertake periodic review of the sawmill supplier list and conduct an annual on-site audit of the sawmills.

Where Visy is notified of additional suppliers of sawlog to the sawmill supplying Visy, an audit of the sawlog supplier will be conducted.

#### 6. Record Keeping and Review

All supplier information is recorded by the Visy Fibre & Forestry Manager using the VPP Supply Details spreadsheet and maintained in the Visy Weighbridge Manager system. Supplier and fibre supply records are active records and are maintained regularly.

All supply agreements are reviewed by the Visy Fibre & Forestry Manager with the Supplier regularly.

All information on suppliers, supply agreements and supporting delivery and invoice documentation is maintained by Visy for a minimum of seven (7) years. This information is available to relevant government authorities for the determination of timber legality, as well as Visy's Certifying Body for FSC and PEFC requirements.

#### 7. Risk Assessment of Supply

Visy will conduct a risk assessment of its wood fibre upon inception, change in the supply origin or complexity of the supply chain, or annually as part of the internal DDS management system review. This process is documented in *Visy Controlled Wood Risk Assessment and Mitigation Plan (RAS-VPP-FSC-002)* and *PEFC Fibre Supplier Risk Assessment (RAS-VPP-FSC-001)*.

## Contact Information

If you have any concerns or questions regarding this summary of Visy's Due Diligence System, please contact Visy's Representative on the details below:

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