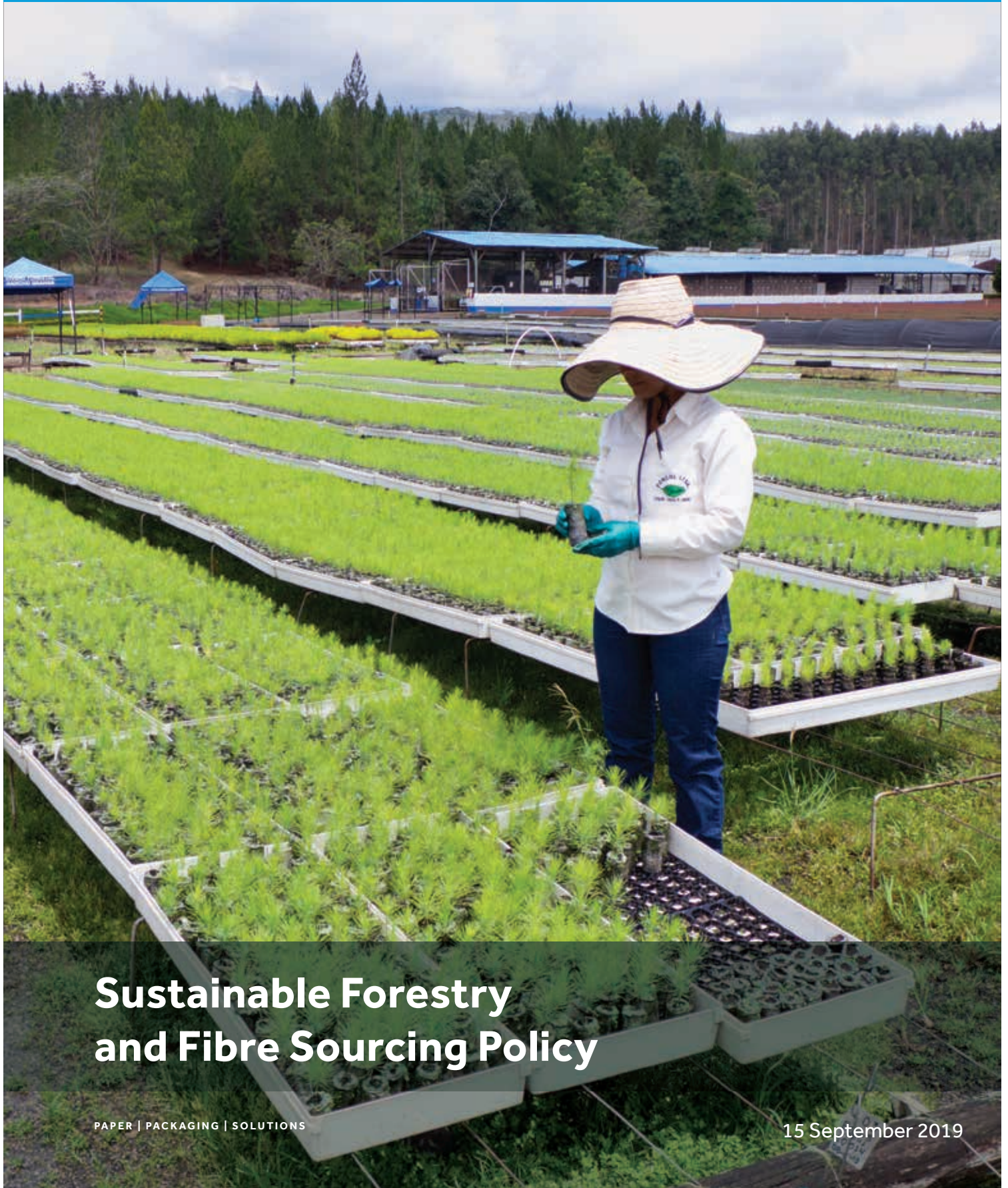


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# Sustainable Forestry and Fibre Sourcing Policy

## Sustainable Forestry and Fibre Sourcing Policy

As a significant user of wood and recycled paper fibre in its paper-based packaging solutions, Smurfit Kappa Group (SK) recognises its impact and responsibility in the sustainable use of wood-based raw materials and combatting deforestation. Independent, third-party certification is the most reliable means to promote sustainable forest management throughout the paper-based packaging value chain.

Therefore SK focuses on forest and related chain of custody certification.

SK takes responsibility throughout its full value chain from managing its forests and plantations, sourcing of wood and fibre, and converting them into appropriate value added products. The policy sets a framework for all of the Group's forestry, wood, fibre, and paper sourcing operations including:

- Forests and tree plantations owned, leased or managed
- Timber purchases and exchanges, including imports and exports
- Sourcing of pulp and paper from third parties as well as sales of paper to third parties
- Other wood and wood fibre-based product purchases
- Sourcing of recovered paper and board

This sustainable forestry and fibre sourcing policy complements the SK Code of Business Conduct and other relevant policies supporting sustainable development. SK performs due diligence on the legality of all wood-fibre based materials in accordance with applicable timber sourcing regulations.

Since 2015, all relevant SK operations have been Chain of Custody certified. For green-field operations or operations acquired or merged, SK applies a two-year integration policy within which the operations must obtain certified management systems.

### 1. Forests and tree plantations

- SK adheres, as a minimum, to all relevant national laws and international treaties including national forest legislation.
- SK supports third-party verified forest management and promotes forest certification according to Forest Stewardship Council® (FSC®), Programme for Endorsement of Forest Certification™ (PEFC™) or Sustainable Forestry Initiative™ (SFI™) standards on all forest and tree plantation land that it owns, leases or manages. Through its timber and fibre sourcing requirements, SK requires sustainable forest management from its suppliers as well.
- SK pursues protection of natural forests through two avenues: land area dedicated for conservation and research, and sustainable forest management practices in managed forests and plantations. This allows for sustainable use of the raw material, protection of biodiversity, habitats and forest ecosystem services as well as supporting local communities.
- SK contributes to the development of sustainable forestry by open information exchange with interested parties. SK maintains meaningful relationships with local communities, governments, NGO's and other relevant stakeholders. SK participates and supports forest research through funding of and participation in research work.
- SK allocates resources to sustainable forest management including education and training of sustainable forest management practices, ecosystem management and preserving ecosystems.

## 2. Timber, pulp and paper, other wood fibre-based products

- In sourcing timber, pulp and paper, and other wood-fibre based materials preference will be given to the materials that are chain of custody certified through FSC<sup>®</sup>, PEFC<sup>™</sup> or SFI<sup>™</sup>. As a minimum SK requires that all timber, pulp and paper suppliers guarantee a non-controversial origin of the fibrous materials delivered to SK according to the FSC<sup>®</sup>, PEFC<sup>™</sup> and SFI<sup>™</sup> chain of custody and controlled wood standards.
- SK accepts purchases of timber, pulp and paper and other wood fibre-based products only from suppliers who offer a documented trail of the raw material origin on documentation as required in FSC<sup>®</sup>, PEFC<sup>™</sup> and SFI<sup>™</sup> chain of custody standards.
- SK is committed to implementing chain of custody certified fibre origin management systems at all sites operating with fibrous materials through FSC<sup>®</sup>, PEFC<sup>™</sup> and/or SFI<sup>™</sup> and including appropriate chain of custody information on all relevant documentation in its sales of products to its customers.
- SK is committed to performing additional due diligence on suppliers' purchases of timber, pulp and paper and other wood fibre-based products which originate from a high-risk country. The following countries in SK's current supply chain are considered high risk: Argentina, Brazil, Chile, Colombia, Romania, Russia and Ukraine. This list is updated regularly in accordance with SK's risk assessments.
- SK purchases and produces bleached pulp that is either elemental chlorine free or total chlorine free.

## 3. Sourcing of recovered paper

- Recyclability of paper fibres is an important contributor to sustainable paper production. SK is committed to sourcing its recovered fibres under certified chains of custody according to FSC<sup>®</sup> or PEFC<sup>™</sup> standard with sufficient origin and supplier information.

SK further commits to implementing appropriate communication, training and auditing procedures to ensure that all SK operations meet the requirements outlined in this policy.

SK will evaluate this sustainable forestry and fibre sourcing policy regularly in light of new developments in the areas of sustainability. This policy dated on 15 September 2019 supersedes all previous versions.

## For more information:

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