

The Warehouse Group Wood Product Sourcing Policy

Version 1.5a, 23 June 2017

A Group-wide sourcing policy on wood-based products (which includes paper products) has been established to:

- Reinforce the group's commitment to the environment
- Make it easier for our customers to be more sustainable
- Provide a competitive advantage to our brands by taking a leadership position
- Provide a defensible position on any claims of environmentally unsound sourcing

The Warehouse Group commits to improve the sustainability of our wood-based products (which includes paper products) by, over time,

- sourcing wood-based products that meet acceptable sustainability standards; and
- using recycled or sustainable alternative sources where they do not materially impact on the quality of the product.

This policy applies to the following wood-based product categories,

- All paper and card, including (but not limited to): photocopy paper, exercise books, envelopes, craft paper and card, filing, retail-ready packaging, wrapping paper and gift cards, photo albums
- Tissue and tissue paper products
- Pencils & other wood writing/art instruments and materials, including (but not limited to): paint brushes, easels, canvases
- Outdoor furniture
- Indoor and office furniture, including (but not limited to): wood laminate products
- Other predominately wooden products, including (but not limited to): photo frames, cork boards, sporting equipment

Excluded from the policy,

- Product packaging
- Products that contain minor wood or paper component(s) where the total cost of the component(s) is less than US\$1
- Products made with 100% recycled wood-based content

Acceptable Sustainability Standards

There are two standards: one standard applying to indoor furniture and decorations made predominately from medium-density fibreboard (MDF) or similar engineered wood products¹; and one standard applying to all other products. The differing standards reflect different environmental risks and the availability of certified sustainable wood products.

Indoor Furniture Products or Decorations made Predominately from MDF or Similar Engineered Wood Products

The supplier must provide assurance that the wood product(s) used is from a legal source. To provide this assurance the supplier must complete and sign the mandatory information provided in the form in the Appendix. Once the signed form is provided the supplier can be used. If the supplier is unwilling to sign the form, then the standard for all other products applies.

A digital copy of the signed form must be provided to the Community & Environment team (greg.nelson@thewarehouse.co.nz) who will randomly audit the forms, and may request additional information from suppliers.

¹ Exclusively engineered wood products made from the by-products of the manufacturing of other wood products.

All Other Products

All other products are required to have a current sustainability certification. There are three relevant certification standards: Forestry Stewardship Council (FSC-STD-40-003/4), Programme for the Endorsement of Forest Certification (PEFC ST 2002:2013), and Australia Forestry Standard (AS 4707:2006/14). More details about the standards, including examples certificates, are provided in appendix 2.

The required certification varies by the country of origin of the wood material,² reflecting different environmental risks. The table below shows the certification requirements by country: the FSC standard is acceptable for all countries, PEFC and AFS only acceptable for specific countries. The supplier purchased from must provide the relevant certificate for their organisation.

Any exceptions to the acceptable certifications will only be considered in exceptional circumstances³. All exceptions must be provided to the Community & Environment (C&E) team (greg.nelson@thewarehouse.co.nz) to assess and provide a recommendation to the relevant (Executive) General Manager of Merchandising for a final decision.

Table 1. Certification Standards by Country of Origin of the Wood Material³

| | FSC | PEFC | AFS |
|------------------------------------|---------------------|---------------------|---------------------|
| <i>Certification Standard</i> | <i>STD-40-003/4</i> | <i>ST 2002:2013</i> | <i>4707:2006/14</i> |
| Europe | | | |
| Sweden | ✓ | ✓ | ✗ |
| Germany | ✓ | ✓ | ✗ |
| France | ✓ | ✓ | ✗ |
| Norway | ✓ | ✓ | ✗ |
| Portugal | ✓ | ✓ | ✗ |
| Switzerland | ✓ | ✓ | ✗ |
| United Kingdom | ✓ | ✓ | ✗ |
| Rest of Europe | ✓ | ✗ | ✗ |
| Russia and Central Asia | ✓ | ✗ | ✗ |
| North America | ✓ | ✗ | ✗ |
| Asia | | | |
| Japan | ✓ | ✓ | ✗ |
| Korea | ✓ | ✓ | ✗ |
| China | ✓ | ✗ | ✗ |
| Indonesia | ✓ | ✗ | ✗ |
| Malaysia | ✓ | ✗ | ✗ |
| Thailand | ✓ | ✗ | ✗ |
| Vietnam | ✓ | ✗ | ✗ |
| Rest of Asia | ✓ | ✗ | ✗ |
| Central & South America | ✓ | ✗ | ✗ |
| Africa & Middle East | ✓ | ✗ | ✗ |
| Pacific | | | |
| Australia | ✓ | ✓ | ✓ |
| New Zealand | ✓ | ✓ | ✗ |
| Rest of Pacific | ✓ | ✗ | ✗ |

A flow chart of the standards is given on the next page.

² For example, if the supplier was a French mill sourcing wood from Russia then Russia is the country of origin.

³ Examples of these circumstances are when suppliers with acceptable certification are significantly more expensive or cannot meet volume requirements.

Explaining Chain of Custody

Chain of custody means having a paper trail that can track a product back to its source. This is essential for sustainable sourcing as provides evidence that the product components originated from a sustainable source. Technically:

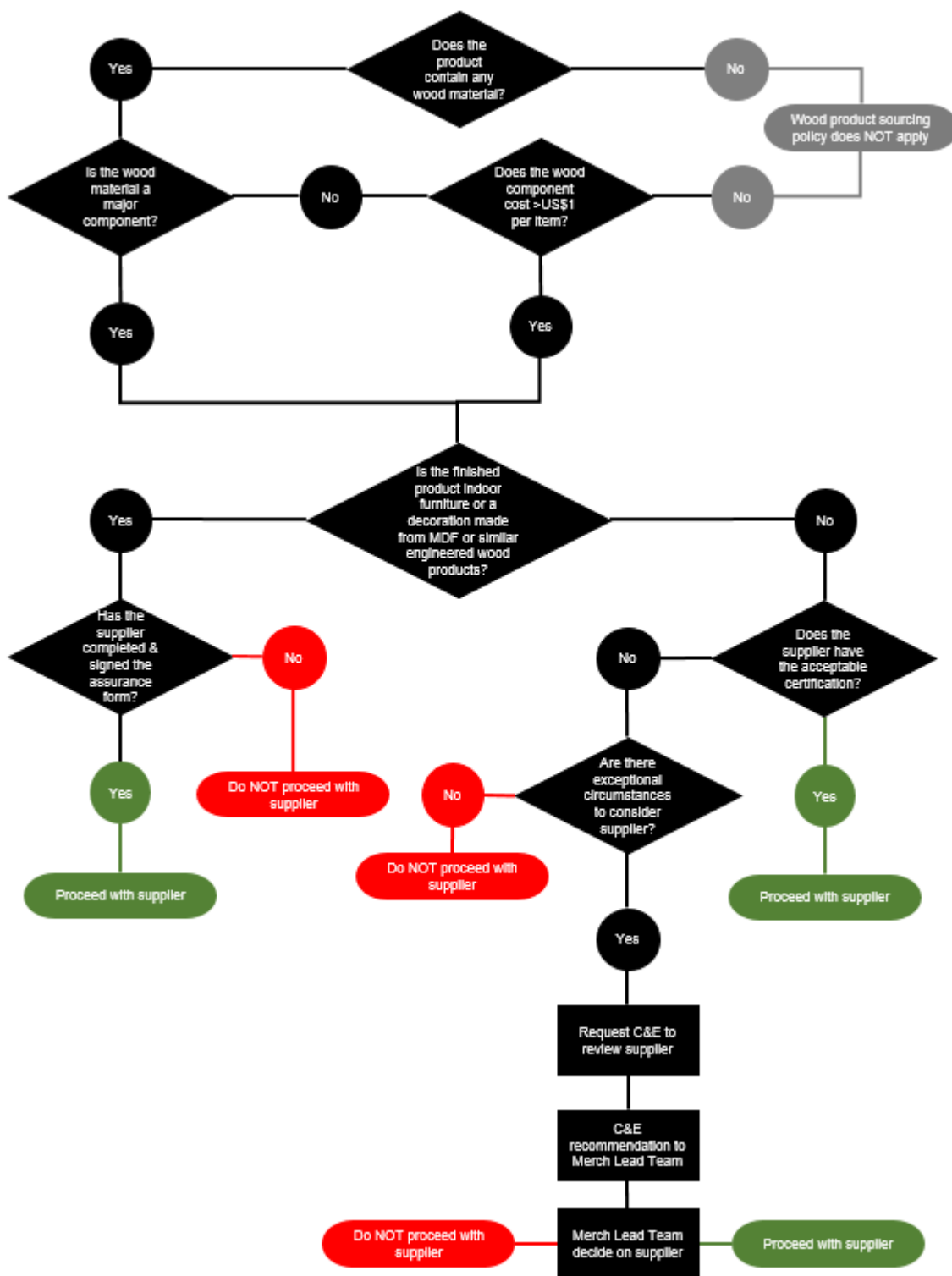
"For a product to be claimed as FSC certified, there must be an unbroken chain of certified organizations covering every change in legal ownership of the product from the certified forest up to the point where the product is finished or sold to retail.

Chain of Custody certification is therefore required for all organizations in the supply chain of forest-based products that have legal ownership of certified products and perform one or more of the following activities:

- a) Pass on the FSC Claim to subsequent customers through sales and delivery documents;
- b) Apply the FSC label on-product;
- c) Process or transform FSC certified products (e.g. manufacturing, repackaging, relabelling, adding other forest-based components to the product)"

In practise, this means that the supplier we are purchasing the product from must hold certification in their name. An exception is any products purchased by one Group entity (e.g. Wholesale) for sale in another entity (e.g. The Warehouse).

Flowchart of Policy Process



Policy Update History

7 June 2017

- Added: decorations to alternative standard for MDF.

22 March 2017

- Inserted omitted word in Acceptable Sustainability Standards section

20 January 2017

- Added: policy exclusions
- Added: alternative standard for indoor furniture products made predominately from MDF or similar engineered wood products
- Revised: Acceptable Certification by Source Country/Region table: Finland, Poland and Spain moved to “Rest of Europe”; Tasmania exclusion removed.
- Revised: Flowchart
- Added: Appendix Assurance of Legal Source

APPENDIX.

ASSURANCE OF LEGAL SOURCE OF WOOD PRODUCTS USED IN INDOOR FURNITURE AND DECORATION PRODUCTS MADE PREDOMINATELY FROM MDF OR SIMILAR ENGINEERED WOOD PRODUCTS

Notes for TWG Team Members

All suppliers of indoor furniture and decoration products that contain MDF or similar engineered wood products must provide an assurance that the wood material used in the supplied products is from a legal source. To provide this assurance, the supplier must complete and sign the mandatory information provided in the form below.

For new suppliers, this form must be completed before any orders are placed. For existing suppliers, it must be completed within two months of the next order placed. A supplier is required to update the form if there are any significant changes in the source of the wood material.

A digital copy of the signed form must be provided to the Community & Environment team (greg.nelson@thewarehouse.co.nz) who will randomly audit the forms, and may request additional information from suppliers to support their assurance. Any supplier audited can be used while the audit is in progress.

Instructions for Suppliers

All suppliers of indoor furniture products that contain MDF or similar engineered wood products must provide an assurance that the wood material used in the supplied products is from a legal source. To provide this assurance, the you are required to complete and sign the form below.

All information provided are confidential and will only be used to assess the source of your wood products.

Product & Supplier Details

| | | | |
|-------------------|-------|------------------------|-------|
| Product Name(s): | _____ | Product SKU(s): | _____ |
| Supplier Name: | _____ | Supplier Contact Name: | _____ |
| Supplier Email: | _____ | Supplier Telephone: | _____ |
| Supplier Address: | _____ | | |

Wood Content in product

Q1. Does the product contain any Medium-density fibreboard (MDF), particle board or similar engineered wood product?

YES NO

Product Wood Details

If you have answered YES to the first question, you must complete the product wood details section – all fields are mandatory. This must be repeated for each product that sources the wood from a different source.

Q2. What forests or mills were the wood sourced from? List all forests or mills providing wood products for the products to be supplied.

Product Name(s): _____

Product SKU(s): _____

| Forest or Mill Name | Region | Country |
|---------------------|--------|---------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

If forests are not known, what country did the wood originally come from?

Q3. Is the wood in the supplied products from a legal source?

YES NO

Q4. Do you have any evidence that the timber is from a legal source?

YES NO

Q5. Are you aware of any concerns or issues that have been publicly raised about this source?

YES NO

If yes, what has been raised?

I confirm that the information provided is correct _____ (signed)

Name:

Date:

APPENDIX. CERTIFICATION STANDARDS

Below are the details of certification standards described above. Examples of different certificates are given in the following pages.

Forestry Stewardship Council

Relevant standards:

- FSC-STD-40-003 (V1-0 or V2-0) Chain of Custody Certification of multiple sites
or
- FSC-STD-40-004 (V2-1) Standard for Chain of Custody Certification

The following standards are optional

- FSC-STD-40-005 (V2-1) Company Evaluation of FSC controlled wood (this is included when the product is called FSC Mix)
- FSC-STD-40-007 (V2-0) Sourcing reclaimed material for use in FSC product groups or FSC certified projects (this is included when the product includes some recyclable content)

Certificates are provided by product groups (e.g. office paper), this must match the product being sold.

Programme for the Endorsement of Forest Certification

Relevant standards:

- PEFC ST 2002:2013 Chain of Custody of Forest Based Products

Australian Forestry Standards (AFS)

Relevant standards:

- AS 4707:2006 or AS 4707:2014

Certificates are provided by product groups (e.g. office paper), this must match the product being sold.

Rainforest Alliance

ABC TISSUE PRODUCTS PTY LTD

30-36 REDFERN STREET
WETHERILL PARK, NSW 2164, AUSTRALIA

IS CERTIFIED FOR FOREST STEWARDSHIP COUNCIL™ CHAIN OF CUSTODY

Certificate Scope

Certificate Type: Multi-site Chain of Custody

Standard(s): FSC-STD-40-003 V1-0; FSC-STD-40-004 V2-1; FSC-STD-40-007 V2-0

Product group(s): Household and sanitary pulp and paper products

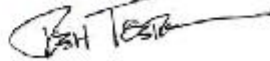
Valid from April 26, 2010 **to** April 25, 2015

Certificate Registration Code: SW-COC-004847

FSC License Code: FSC-C074568

Certificate Issue Number: IN-2012-1

As a multi-site certificate, the activities and products included in the scope of this certificate are performed by a network of participating sites. Additional details regarding the scope, including a full list of products and species, are available at info.fsc.org.



Joshua Tosteson, RA-Cert Director
Rainforest Alliance
665 Broadway, Suite 500 New York, NY 10012 USA

RAINFORREST ALLIANCE IS AN ACCREDITED FSC® CERTIFICATION BODY

The validity of this certificate shall be verified on info.fsc.org. This certificate does not constitute evidence that a particular product supplied by the certificate holder is FSC certified and/or FSC Controlled Wood. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required FSC claim is clearly stated on invoices and shipping documents.

This certificate is the property of Rainforest Alliance. This certificate and all copies or reproductions of this certificate shall be returned or destroyed if requested by Rainforest Alliance.

ACCREDITED
FSC-ACC-004

Version March 2012





CERTIFICATE

CERTIFICATION CODE: CU-PEFC-822058

Field of attention:
PEFC
PEFC - Chain of Custody

Issued to:
PT Indah Kiat Pulp & Paper Tbk.
Serang 42184, Banten, INDONESIA
Project in: INDONESIA

Standard:
The COC requirements of the PEFC Council Technical Document as set by the PEFC Council (Programme for the Endorsement of Forest Certification schemes), and Control Union Certifications (CU) Inspection Regulations. PEFC ST2002:2010

Valid until: 12 May 2018

Control Union Certifications declares to have inspected the process of Chain of Custody of forest based products of the above mentioned client, and has found it in accordance with the requirements mentioned above.
The product(s) resulting from this process as well as the applicable material input(s) and method(s) applied are mentioned in the authenticated Annex of this certificate.
This certificate is in force until further notice, provided that the above-mentioned client continues meeting the conditions as laid down in the client contract with Control Union Certifications. Based on the annual inspections that Control Union Certifications performs, this certificate is updated and kept into force.

Date of certification:
12 May 2013
Place and date of issue:
Zwolle, 07 June 2013

CERTIFICATE No: C822058CU-PEFC-04.2013
REGISTRATION No: CU 822058



Declared by:

O -

On behalf of the Managing Director

Mr. B. V. Sleszycek

Certifier
Control Union Certifications
Meeuwenlaan 4-6
8011 BZ ZWOLLE
The Netherlands
<http://www.controlunion.com>
tel.: +31(0)38-4260100

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CONTROL UNION CERTIFICATIONS



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Certificate of Approval

This certificate confirms that the company below complies with the following standard:

| | |
|------------------------|--|
| Company Name | ABC Tissue Products Pty Ltd |
| Company Other Name | ABC Paper & Paper Mills Pty Ltd, Queensland Tissue Products Pty Ltd, ABC Tissue Products (NZ) Ltd |
| Client ID | 102532 |
| Certification Standard | AS 4707-2006 : Chain of custody for certified wood and forest products |
| Scope of Certification | The import receipt, storage, transport of raw pulp from wharfs in Port Kembla, storage of raw pulp material prior to manufacture, manufacture of jumbo rolls and transport of these rolls to the conversion mill, manufacture of finished tissue products such as facial towels, toilet paper and kitchen towels, warehousing and marketing of paper tissue products and transport of finished goods to customers. |
| Type of Certification | Management System |

CERTIFICATE DATES:

| | |
|------------------------------|------------|
| Certification Review Date | 28/05/2014 |
| Certification Expiry Date | 7/10/2015 |
| Certificate Issue Date | 31/05/2014 |
| Certificate Last Update Date | |

Please refer to Page 2 for Approved Sites

This certification remains valid until the above mentioned expiry date and subject to the organisation's continued compliance with the certification standard, and Global-Mark's Terms and Conditions.

This Certificate of Approval remains the property of Global-Mark Pty Ltd, Company Number: ACN.108-087-654

The use of the Accreditation Mark indicates accreditation by the Joint Accreditation System of Australia and New Zealand in respect to those activities covered by JAS-ANZ accreditation.

Refer to www.jas-anz.org/register for verification.



Certification Manager

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