

BalticPly Ltd.

## FSC® Wood Supply Chain Policy

Riga, May 28, 2024

BalticPly Ltd. undertakes to purchase only traceable wood with a valid FSC certificate from its suppliers. We guarantee that we will buy birch logs labeled "FSC Controlled Wood", "FSC 100%" and "FSC mix", which have not been obtained illegally, in genetically modified forests, transforming forest land, if in high-value forests, then without leaving a negative impact on the high-value elements of the forest and ensuring that the rights of local residents has not been violated during logging.

In order to maintain FSC standards towards the customer, we undertake to carry out a continuous inventory of timber from the entry of raw materials into the production plant until the output from it. The company certifies that both the raw material (W.1.1.) and the final product (W.7.1.) are physically placed separately and are also labeled in order to completely eliminate the possibility that wood without an FSC certificate would be resold to the customer as a certified product. In the event that the implemented control measures turn out to be ineffective, the company undertakes to improve the system in order to prevent the recurrence of such a situation, as well as to inform all involved parties about the incident.

BalticPly Ltd. assures that any complaints from customers regarding the compliance of the final product with FSC CoC requirements will be investigated and checked no later than three months after receiving the complaint. Within 2 weeks after receiving the complaint, the applicant will be informed about the initiation of the investigation process. Also, all involved parties will be informed about the object of the complaint and the result of the investigation, including SGS Latvia.

Also, the company undertakes to investigate if non-conformity is detected (incorrectly applied FSC status). In this case, we will inform both the certification body and the involved customers within five working days after identifying the non-conforming product. In order to prevent the recurrence of such a situation, a full analysis of the incident and the application of new measures will be carried out. All performed actions will be coordinated with the certification body - SGS Latvia.

The basic principles of employment will be applied in accordance with the laws of the Republic of Latvia. Only persons of age work in the company according to their own free will in a position that is suitable for them and does not leave any kind of negative impression on a person's physical and/or emotional health.

Member of the Board  
Zhixin Shang



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