

MACVAD – Sourcing Sustainable Forest related Commodities and Derived Products Policy

1. Purpose

MACVAD is committed to responsible sourcing of commodities and products that are subject to deforestation, forest degradation, and legality requirements in our markets. This policy establishes MACVAD's requirements to ensure that forest related commodities and derived products are sourced responsibly, lawfully, and in a manner that is verifiably deforestation-free and aligned to applicable regulatory requirements.

2. Scope

This policy applies globally to all MACVAD products, components, and packaging that contain, or are made from, commodities and derived products within the scope of the EU Deforestation Regulation (EUDR) and other applicable deforestation and legality laws. It applies to all suppliers, manufacturers, traders, and processors involved in MACVAD's supply chains.

Product groups (high level)

For clarity, the following commodity groups and specified derived products are in scope:

- Timber/Wood/Paper
- Viscose
- Cocoa
- Coffee
- Palm Oil
- Rubber
- Cattle
- Soy

In practice this may include (depending on product composition and HS classification) items such as furniture, paper and packaging, printed materials, leather, chocolate and other cocoa products, coffee products, palm-oil derivatives used as ingredients, rubber goods (e.g., tyres), and soy-based ingredients. MACVAD will maintain an internal mapping of in-scope product groups and update it as regulations and product ranges change.

3. Regulatory Alignment

This policy is designed to support compliance with applicable timber legality and deforestation laws in MACVAD's key markets, including:

- EU Deforestation Regulation (EUDR)
- EU Corporate Sustainability Due Diligence Directive (CSDDD)
- Australian Illegal Logging Prohibition Act 2012 (Cth) and associated regulations

- NZ Forests (Legal Harvest Assurance) Amendment Act 2023
- UK Environment Act 2021, Schedule 17 (forest risk commodities due diligence regime)
- UK Timber Regulations (UKTR)
- United States Lacey Act (as amended)

Where requirements differ, the most stringent applicable standard shall apply.

4. MACVAD Commitment

MACVAD is committed to sourcing only commodities and derived products that are legally produced, responsibly managed, and verifiably deforestation-free (and, where applicable, not associated with forest degradation). MACVAD will not knowingly source materials or ingredients that originate from illegal conversion or illegal production, or that contribute to deforestation or forest degradation within applicable regulatory cut-off dates and definitions.

5. Supplier Due Diligence Requirements

For all EUDR-relevant commodities and derived products supplied to MACVAD, suppliers must maintain an effective due diligence system to ensure that:

- Products and their inputs are produced in accordance with applicable laws in the country of production (legality);
- Commodities and derived products are not associated with deforestation or forest degradation (as applicable) and meet “deforestation-free” requirements, including relevant cut-off dates and definitions;
- Materials can be traced through the supply chain to the plot(s) of land of production, including provision of geolocation information where required by law (e.g., latitude/longitude polygon or points);
- Supply chain information supports risk assessment (e.g., country/region of production, production date/timeframe, operator/trader details, and transformation steps);
- End-to-end evidence of compliant sourcing can be verified through independent audit, credible assurance, or review; and
- Relevant documentation and data can be provided to MACVAD upon request in the format and timeframe required for regulatory reporting and customer due diligence.

In practice this means that evidence must be forthcoming to prove raw material origin and the complete chain of custody through all processing steps, and where required, declarations attesting to the same.

6. Risk Assessment and Mitigation

Suppliers must identify and assess risks of non-compliance within their supply chains, including risks related to illegal production, deforestation/forest degradation, land-use change, mixing with unknown or non-compliant sources, and traceability gaps. Where risks are identified, suppliers must implement appropriate mitigation measures (e.g., enhanced traceability, supplier engagement, corrective action plans, third-party verification, segregation/mass balance controls where appropriate, and suspension of high-risk sources). Records of assessments and mitigation actions must be maintained and made available to MACVAD upon request.

7. Certification and Recycled Materials

MACVAD recognises credible third-party certification and assurance schemes (e.g., for forestry and for other agricultural commodities) as tools that may support due diligence and risk mitigation. Certification does not replace legal compliance obligations, and suppliers may be required to provide

additional evidence (including plot-level traceability/geolocation and legality documentation). Recycled material claims (where applicable) must be substantiated and verifiable.

8. Monitoring and Enforcement

MACVAD reserves the right to request information, conduct audits, and take corrective action where this policy is not met. Non-compliance may result in suspension or termination of supplier relationships.

9. Governance and Review

This policy is approved by MACVAD management and will be reviewed periodically to ensure ongoing alignment with legal requirements and best practice.

10. Effective Date

This policy is effective from the date of publication and applies to all new and existing suppliers.