



CAPRICE PAPER PRODUCTS PTY LTD ETHICAL SOURCING + LEGAL TIMBER PURCHASING POLICIES

PART I

ETHICAL SOURCING

INTRODUCTION

Caprice Paper Products Pty Ltd (Caprice Paper) aims to provide its customers with quality products and value for money.

This means sourcing products from a variety of locations nationally and internationally. As a privately owned Australian family business, Caprice Paper is committed to managing our business in a manner that reflects our high ethical and moral values. This includes upholding human rights, fair working conditions and environmental protection, in particular sourcing finished goods from companies that are compliant with ethical practices.

In accordance with the expectations of our customers, the community and the requirements of the law, we endeavour to always operate responsibly within the community and the same is expected of our suppliers. Maintaining a reputation for the highest legal, moral and ethical standards dealing with customers and other key stakeholders is critical for our ongoing success.

Caprice Paper's Ethical Sourcing Policy exemplifies our commitment to integrating ethical and socially responsible business practices into all aspects of operations. Caprice Paper is committed to:

- Sourcing products in a responsible manner
- Working with suppliers to improve their social and environmental practices; and
- Providing clear guidance to buying staff.

EXPECTATIONS

Our suppliers are expected to support the ethical standards set out in this Policy regarding workplace safety, environment and fair pay and employment conditions. The policy sets out the standards that we expect all our suppliers to comply with when producing and supplying products for Caprice Paper, no matter where they operate in the world.

Full compliance with these criteria may take time for some suppliers, and we will work with them to implement improvement plans and help them achieve compliance. We reserve the right to cease business with suppliers that do not meet our minimum ethical standards.

ETHICAL STANDARDS

1. BUSINESS INTEGRITY

Our suppliers must demonstrate a high degree of professionalism and have a close affinity with our business ethics. Honesty, fair dealing and the proper treatment of workers are always required. Bribes, favours, gifts, benefits, facilitation payments, secret commission or similar unlawful or improper payments, in case or kind, are strictly prohibited, whether for the purpose of obtaining business or otherwise.

2. LABOUR RIGHTS

- Employment is freely chosen.





- There is no forced, bonded or involuntary prison labour.
- Workers are not required to lodge deposits or their identity papers with their employer and are free to leave their employer after reasonable notice.

3. WORKING CONDITIONS

- A safe and hygienic working environment shall be provided, with respect to the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health in the working environment.
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities and to clean and drinkable water and, if appropriate, sanitary facilities for food storage shall be provided.
- Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.
- Suppliers will ensure that personal protective equipment is available, and workers trained in its use. Safeguards on machinery must meet or exceed local laws.

4. CHILD LABOUR

Caprice Paper has a zero-tolerance policy to child labour. Our suppliers shall not use child labour and must only employ workers who meet the local minimum age requirement. Suppliers to Caprice Paper must verify the age of their workers and maintain evidence of workers' proof of age.

5. LIVING WAGES

- Wages and benefits paid for a standard working week must meet minimum national legal standards or industry benchmark standards. In any event, wages should always be enough to meet the basic needs and to provide some discretionary income.
- Our suppliers must comply with all laws regulating local wages, overtime compensation, and legally mandated benefits.
- All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Deductions from wages as a disciplinary measure or any deductions from wages not provided for by law shall not occur without the expressed permission of the worker concerned.

6. WORKING HOURS

- Working hours comply with any law and benchmark industry standards, whichever affords greater protection.
- Caprice Paper expects that all record keeping will be strictly accurate, complete and transparent always. Workers must not be required to work excessive working hours per week including overtime. Workers have the option of at least one day off in seven.

7. DISCRIMINATION

- All conditions of employment must be based on an individual's ability to do the job, not based on personal characteristics.
- There must be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation or any other protected characteristic.

8. HARSH OR INHUMANE TREATMENT

- Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

9. ENTITLEMENT TO WORK & IMMIGRATION

- Only workers with a legal right to work shall be employed or used by the supplier.

- All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

ENVIRONMENTAL STANDARDS

Caprice Paper places a high level of importance on the behaviour of our entire supply chain. We promote the protection of the environment and the conservation of natural resources. Our suppliers shall as a minimum comply with all applicable laws and regulations relating to the environmental impacts of their business and maintain procedures for notifying local authorities in the event of an environment accident, resulting from the supplier's operation. Supplier compliance with environmental law shall include any international or applicable local laws affecting the source of materials and processes used to manufacture products. Detailed performance standards are a matter for suppliers, but should address at least the following:

WASTE MANAGEMENT

Waste is minimised and items recycled whenever practicable. Effective controls of waste, whether ground, air and water pollution, must be adopted. In the case of hazardous materials, emergency response plans must be put in place.

PACKAGING AND PAPER

Undue and unnecessary use of materials shall be avoided, and recycled materials should be used whenever appropriate.

CONSERVATION

Processes and activities shall be monitored and modified as necessary to ensure conservation of scarce resources including water, flora and fauna.

ENERGY USE

All production and delivery processes, including the use of heating, ventilation, lighting, IT systems and transportation must be based on the need to maximise efficient energy use and minimise harmful emissions.

Caprice Paper packaging should be designed to have the minimum net impact on the environment, in terms of waste, water, energy and emissions. At the same time, it must fully protect and preserve the energy of the product it contains.

Caprice Paper packaging design and selection will have the following objectives:

- Source reduction
- Potential for packaging reuse
- Recovery and recycling
- Ability to incorporate recycled content
- Minimising impacts of packaging
- Propensity to become litter
- Consumer information

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COMPLIANCE WITH THIS POLICY

Caprice Paper expects its suppliers to comply with all aspects of this Policy.

Caprice Paper is committed to working in partnership with its suppliers to help achieve compliance with this Policy. In the event where any supplier is unwilling or unable to demonstrate continuous improvement towards full compliance with our standards, the trading agreement between Caprice Paper and the supplier will be terminated.

PART II

LEGAL TIMBER PURCHASING POLICY

Caprice Paper Products Pty Ltd recognises that it has a responsibility to the environment, customers, suppliers and staff to base its commercial activities on legally harvested forests.

We are committed to purchasing all timber-based products from legally harvested sources and will seek evidence of compliance, where needed, from suppliers by operating a due diligence system.

We are committed to complying with the Australian Illegal Logging Prohibition Act 2012 and the Illegal Logging Prohibition Regulation.

We recognise that credible independent certification and third-party verification of forest management and chain of custody significantly reduces the risk that timber is illegally harvested when purchasing timber from sources that are anything other than a low risk.

The company will cease to purchase any timber-based products whose supply is in breach of any national legislation in the country of harvest.

We have appointed the Quality Systems Committee to be responsible for the implementation of this Policy and our company's due diligence system and will ensure that any relevant legality issues are discussed regularly at the highest level of management.

We will ensure that all employees associated with timber-based product purchasing are aware of the policy commitments and are given appropriate education and training to allow its full implementation.

David Irvine
Managing Director